			25>	K 1l			
			207	SECRET			
			25)	X1		1	
	-		İ	CENTRAL INTELLIG	ENCE AGENCY		
			11	VEORMATIOS	N REPORT	25X	(1
TNL	RY USSR						
BJE	The I	olitica	l and Eccno	mic Basis of the			
	Agran	ian Ref	orm in the	ussr			
			*				
						DATE DISTR.	Sep 7 1953
	1.		1		<u>. 1</u>	NO. OF PAGES	30
25)	X 1	OF THE UMITE	STATES, BITHIN THE	ION APPECTING THE NATIONAL OF EMEANING OF TITLE 18, SECTION	ntftust mt 188		30
,		LATION OF 17:	THE U.S. CODE, AS AS COMTENTS TO DE 21	CEIPT BY AN UNAUTHURISED PER	1604 (4	NO. OF ENCLS.	
ירי	/			ATED INFORMATION		SUPP. TO REPORT NO.	
25)	X1	,,,,,	15 UNEVALO	ATES THE CHIEF TOR		NEI ON I NO.	
						of the development's death).	of a re-
L.	organiz	ational iption	process in of the poli	kolkhoz village	s after Stalin	's death).	malities
L.	organiz A descr	ational iption on nting po	process in of the poli	kolkhoz village tical interests, Soviet Union af	plans, and proter Stalin's de	's death).	onalities important
2.	A descr represe for an	ational iption nting poundersta	process in of the policy of the anding of the process of the proce	kolkhoz village tical interests, Soviet Union af he foreign and d	plans, and proter Stalin's decomestic policies	's death). ograms of the person ath is undoubtedly so of the Soviet Go	onalities important everyment.
	A descr represe for an One mus the "di	ational iption nting poundersto t bear : ctators	process in of the political power in the anding of the in mind, ho main of the	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which	plans, and proter Stalin's decomestic policies it was in Stalin has come into	's death). ograms of the person that is undoubtedly so of the Soviet Go in's time, so is it being in the USSR.	malities important vernment. now, under
	A descr represe for an One mus the "di opinion politic	ational iption nting pounderste t bear ctators s and pounders al line	process in of the poli ower in the anding of t in mind, ho nip of the rograms of of the Com	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals	plans, and protest stalin's de omestic policie it was in Stalin has come into in power in no	's death). ograms of the person ath is undoubtedly se of the Soviet Goth's time, so is it	malities important vernment. now, under The general
2.	organiz A descr represe for an One mus the "di opinion politic only re	ational iption nting pounderst t bear ctators s and pr al line flect in	process in of the politioner in the anding of t in mind, ho hip of the rograms of of the Com t.	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and	plans, and proter Stalin's do omestic policie it was in Stali has come into in power in no of the Soviet	's death). ograms of the person ath is undoubtedly as of the Soviet Go. in's time, so is it being in the USBR. way determine the Government, but, a	malities important vernment. now, under The general a rule,
2.	organiz A descr represe for an One mus the "di opinion politic only re Therefo "coller	ational iption of the control of the	process in of the politioner in the anding of t in mind, ho nip of the rograms of of the Com t. facts concellictators".	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and j although not im	plans, and proter Stalin's decomestic policies it was in Stalinas come into in power in no of the Soviet	's death). ograms of the person at the undoubtedly as of the Soviet Go in's time, so is it being in the USSR. way determine the Government, but, a ties of the present uselves, can, however	important vernment. now, under the general a rule, Soviet er, serve
2.	organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either	ational iption of nting pounderste t bear : ctators s and pr al line flect if re, the ium of cas confi	process in of the politication in the anding of t in mind, ho mip of the rograms of of the Com t. facts conce dictators", Irmation of	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not im the continuity	plans, and proter Stalin's decomestic policies it was in Stalinas come into in power in no of the Soviet	's death). ograms of the personant is undoubtedly as of the Soviet Gottn's time, so is it being in the USSR. way determine the Government, but, a dies of the present	important vernment. now, under the general a rule, Soviet er, serve
2.	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical	ational iption of the change attornal t bear cattornal s and properties and properties and properties attornal tree, the firm of the change	process in of the politication in the anding of t in mind, ho hip of the rograms of of the Com tt. facts conce ictators", irmation of of the poli	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not imp the continuity o itical course.	plans, and proter Stalin's do omestic policies it was in Stalin has come into in power in no of the Soviet present activity portant in them of Stalin's policies.	's death). ograms of the personerth is undoubtedly es of the Soviet Go in's time, so is it being in the UESR. way determine the Government, but, a dies of the present uselves, can, howev dicy, or as evidence	malities important vernment. now, under The general a a rule, Soviet er, serve e of a
2.	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical	ational iption iption nting p underst t bear ctators s and p al line flect if re, the ium of change	process in of the politication in the anding of t in mind, ho hip of the rograms of of the Com t. facts concedictators", irmation of of the politication of	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not im the continuity o itical course.	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's polyte essential f	's death). ograms of the person at the undoubtedly as of the Soviet Go in's time, so is it being in the USSR. way determine the Government, but, a ties of the present uselves, can, however	malities important vernment. now, under The general a a rule, Soviet er, serve e of a
2.	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical	ational iption of the confidence of the confidence of the confidence of the confidence of the change	process in of the politication in the anding of t in mind, ho hip of the rograms of of the Com t. facts concedictators", irmation of of the politication of	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not im the continuity o itical course.	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's polyte essential f	's death). ograms of the person ath is undoubtedly as of the Soviet Go. In's time, so is it being in the USSR. way determine the Government, but, a cles of the present selves, can, howevicy, or as evidence act has yet come to	malities important vernment. now, under The general a a rule, Soviet er, serve e of a
 3. 	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical In the which m of aggr.	ational iption of the charge change sphere of the change sphere of the change change sphere of the change c	process in of the politicate a rei	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not im the continuity o itical course. policy not a sing nouncement by the	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's policie essential ferorphaned di	's death). ograms of the personerth is undoubtedly es of the Soviet God in's time, so is it being in the UESR. way determine the Government, but, a dies of the present uselves, can, howevericy, or as evidence act has yet come to ctatorship of the past, to the aggr	malities important veriment. now, under the general a a rule, Soviet er, serve e of a o light, old plans essive
 3. 	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical In the which m of aggr.	ational iption of the charge change sphere of the change sphere of the change change sphere of the change c	process in of the politicate a rei	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not im the continuity o itical course. policy not a sing nouncement by the	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's policie essential ferorphaned di	's death). ograms of the person at the undoubtedly as of the Soviet Gotto's time, so is it being in the UBSR. way determine the Government, but, a dies of the present selves, can, howevericy, or as evidence act has yet come to ctatorship of the	malities important veriment. now, under the general a a rule, Soviet er, serve e of a o light, old plans essive
 3. 	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical In the which m of aggr.	ational iption of the charge change sphere of the change sphere of the change change sphere of the change c	process in of the politicate a rei	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not im the continuity o itical course. policy not a sing nouncement by the	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's policie essential ferorphaned di	's death). ograms of the personerth is undoubtedly es of the Soviet God in's time, so is it being in the UESR. way determine the Government, but, a dies of the present uselves, can, howevericy, or as evidence act has yet come to ctatorship of the past, to the aggr	malities important veriment. now, under the general a a rule, Soviet er, serve e of a o light, old plans essive
 3. 	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical In the which m of aggr.	ational iption of the charge change sphere of the change sphere of the change change sphere of the change c	process in of the politicate a rei	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and p although not im the continuity o itical course. policy not a sing nouncement by the	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's policie essential ferorphaned di	's death). ograms of the personerth is undoubtedly es of the Soviet God in's time, so is it being in the UESR. way determine the Government, but, a dies of the present uselves, can, howevericy, or as evidence act has yet come to ctatorship of the past, to the aggr	malities important veriment. now, under the general a a rule, Soviet er, serve e of a o light, old plans essive
3.	Organiz A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical In the which m of aggr.	ational iption of the charge change sphere of the change sphere of the change change sphere of the change c	process in of the politioner in the canding of t in mind, ho nip of the rograms of of the Com t. facts conce flictators", remation of of the politicate a res internal pol mmunist dis 25X1	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and j although not im the continuity o itical course. policy not a sing nouncement by the licy is subservi- etatorship. A cl	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's policie essential ferorphaned di	's death). ograms of the personerth is undoubtedly es of the Soviet God in's time, so is it being in the UESR. way determine the Government, but, a dies of the present uselves, can, howevericy, or as evidence act has yet come to ctatorship of the past, to the aggr	malities important veriment. now, under the general a a rule, Soviet er, serve e of a o light, old plans essive
3.	A descr represe for an One mus the "di opinion politic only re Therefo "colleg either radical In the which m of aggr.	ational iption of the confidence of the confiden	process in of the politicate a rei facts concedictators", irmation of of the politicate a rei 25X1	kolkhoz village tical interests, Soviet Union af he foreign and d wever, that, as collegium" which the individuals munist Party and erning past and j although not im the continuity o itical course. policy not a sing nouncement by the licy is subservi- etatorship. A cl	plans, and proter Stalin plans, and proter Stalin's do omestic policie it was in Stalinas come into in power in no of the Soviet present activit portant in them of Stalin's policie essential ferorphaned di	's death). ograms of the personerth is undoubtedly es of the Soviet God in's time, so is it being in the UESR. way determine the Government, but, a dies of the present uselves, can, howevericy, or as evidence act has yet come to ctatorship of the past, to the aggr	malities important veriment. now, under the general a a rule, Soviet er, serve e of a o light, old plans essive

25X1

SECRET,		• 1	

which Malenkov pronounced over Stalin's bier. "A powerful Soviet State", said Malenkov, "is the most important prerequisite for the building of communism in our country". As is known from previous works as well as the last works of Stalin, The Economic Problems of Bocialism in USBR, Btalin links the building of communism in its final form to the withering of the State. It is quite obvious, that Stalin's brand of socialism can be built only in one country. But the "withering" of the State is unthinkable as long as the Soviet Union finds itself in a state of "capitalist encirclement" and as long as this encirclement has not been destroyed. In other words, communism in the USSR can be achieved only on condition that the totalitarian power of the Kremlin is freed from the limitations of State boundaries.

- 6. In these immutable aggressive aims lies the hereditary nature of Communism, which directs the internal policy of the post-Stalin Kremlin toward strengthening every aspect of its power -- the military and economic potential of the Soviet State.
- 7. We see that the "dictatorship of the collegium" officially declared its loyalty to Stalin's legacy and confirmed this loyalty by a series of subsequent declarations by the Soviet "leaders" and the press. More than that, this "declaration of loyalty" is confirmed also in deed; facts speak for it.

IMAGINED DIFFERENCES BETWEEN KHRUSHCHEV AND ANDREYEV

- 8. This is also quite true of the policy in the agricultural field, which is leading to fundamental social and economic transformations.
- 9. In order to establish the continuity of Stalin's internal policy, it is important to note that the Soviet agrarian program, resulting from Stalin's Economic Problems of Socialism in the USSR and the decisions of the 19th Party Congress, ties up organically into one unbreakable chain the measures carried out under Stalin and those which are being put into practice after his death. All the important measures introduced in agriculture under Stalin were preparations for the fulfillment of the program which has been accepted and is being carried out now by his successors.
- 10. One of the executors of Stalin's agrarian program, who had been active in the practical preparations for its realization, is Nikita Sergeyevich Khrushchev. The continuation of Stalin's policy after his death is assured all the more by the fact that it is precisely Khrushchev who now occupies Stalin's titular place in the Party.
- Nikita Sergeyevich Khrushchev from the latter's pre-World War II activities in the capacity of Secretary of the Central Committee of the Ukrainian Communist Party in Kiev. A considerable part of his activities concerned agricultural affairs and showed his competence in that field. Among the workers of the Narkomzem (People's Commissariat of Agriculture) Ukrainian SSR, the opinion prevailed that, in the Politburo Khrushchev was considered an expert in agricultural affairs and that for that reason Stalin usually assigned to him the preparation of important government decisions in regard to agriculture.
 - 12. This opinion was founded on the fact that Khrushchev, in his capacity of Secretary of the Central Committee of the Ukrainian Communist Party, took a personal interest in the production and organization of agriculture. He often visited kolkhozes and called on the specialists of the Narkomzem for a study of numerous problems and the preparation of new measures, which were afterwards approved in a joint decree by the Soviet of People's Commissars USSR and the Central Committee of the Communist Party. Within the limits of the general Party line, Khrushchev showed himself to be "a reformer" in the agricultural field.
 - 13. In the pre-World War II period, the introduction in the kolkhozes and sovkhozes of the Ukraine of a system of extra pay for overfulfillment of plans for crop raising and cattle breeding constituted one of the important "reformatory" measures. The extra pay for kolkhoz men and sovkhoz workers was introduced on Khrushchev's initiative and insistence, but it was first put into practice, on a trial basis, in the Ukrainian Republic alone.

	25X1
SECRET	

25X1

SECRET				

14. The extra pay consists in the fact that a certain percentage of the yield in crops and livestock, produced by a brigade in excess of the plan, is distributed among the kolkhoz men of that particular brigade. (This principle is applied to all branches of agriculture.)

-3-

- 15. The basic pay in kind received by the kolkhoz men for workdays is extremely low.

 Therefore, the possibility of receiving extra pay undoubtedly created a stimulus for the increase in crops and cattle breeding, providing a material motive for kolkhoz men and kolkhoz labor to exceed the plan.
- 16. The results of the extra-pay system being positive, the system was extended to other republics. At the present time, it is applied everywhere in the Soviet Union, with additions or deductions of work-days depending on the crops.
- 17. On the basis of the work done by Khrushchev in prewar years, he was assigned the preparation of the resolution of the Soviet Government and of the Central Committee of the Communist Party concerning the change in delivery /Zagotovitel'nyye/ prices for sugar beets, one of the leading cultures in Ukrainian agriculture. For that purpose Knrushchev created a commission consisting of specialists of the Narkcuzem, who secretly studied the question of whether or not the production of sugar beets in kolkhozes was profitable. Since the delivery prices were low, the mere cultivation of sugar beets -- a culture requiring a lot of labor -- kept the kolkhozes on a low level of economic development. Moreover, it decreased the value of a work-day and thus increased the difficulty of including the work of kolkhoz men into the "communal" production of kolkhozes. Inasmuch as the raising of beets (as, for that matter, the cultivation or many other cultures) was unprofitable for the kolkhozes, the agronomic personnel was forbidden to study its profit-yielding capacity. Only the secret commission, which had received a special assignment from the Central Committee of the Party (from Khrushchev) had the right to collect and process the necessary data with impunity. Khrushchev used this raterial as a basis for his draft of the decree concerning changes in payments to kolkhoz men for beets, which was subsequently approved by the USSR government. (Delivery prices were increased).

18.	Khrushchev	closely	followed	also	the	work of	the	agricultur	al scientific	and	research
									machinery.		

25X1 25X1

19. The editorials in the Kiev newspapers at that time -- Sovetskaya Ukraina (in Russian) and Komunist (in Ukrainian) -- on agricultural subjects were often printed at Khrushchev's personal instructions. Frequently he also reviewed them himself.

- 20. Just as before World War II the Ukraine, where Khrushchev was Stalin's deputy, served as an experimental field for testing the system of extra pay, so after the war the Moscow Otlast, where Khrushchev was transferred at the end of 1949, served as the first experimental region for the consolidation for enlargement of the kolkhozes. Already these two similar facts speak of Khrushchev's "reformatory" role in carrying out Stalin's agrarian policy. In the consolidation of kolkhozes, which was accomplished in 1950, Khrushchev played the part of a leader and prime mover. His article entitled "Questions Concerning the Organizational and Economic Consolidation of the Kolkhozes" in Pravda of 25 Apr 50, so the first signal for the universal consolidation of kolkhozes. Thus, the importance of Khrushchev's contribution to the preparation of this measure, which represents an inseparable link in Stalin's agrarian program, cannot be doubted.
- 21. The reorganization of rural populated places, connected with the consolidation of kolkhozes (the resettlement of kolkhoz men, first known under the name of the construction of "agrogorods"), was another inseparable link in the implementation of this program, as well as its logical consequence. This resettlement, having for its purpose the deprivation of kolkhoz men of their individual land plots, and representing one of the means of their proletarianization, is part and parcel of Stalin's program of placing the kolkhozes under the jurisdiction of the State. The leader and practical organizer of the resettlement campaign, which was under way in 1950-1951 was also

	25X1
SECRET/	

25X1

•		
SECRETY	•	25X1
	4	

Khrushchev, and the Moscow Oblast was again chosen for the experiment.

- 22. Already at the plenary session of the Moscow Committee of VKP (b), which took place on 20-22 Dec 50, after a lengthy speech by Khrushchev, a resolution was adopted concerning the resettlement. excerpts from which were published in Moskovskaya Pravda on 6 Jan 51. To prove how great a part Khrushchev played in the passage of that measure, I must draw your attention to the speech he made on 18 Jan 51 at a conference, called at his initiative, on the building and organization of kolkhozes in the Moscow Oblast (Sotsialisticheskoye Zemledeliye (Socialist Agriculture), 4 Mar 51.)
- 23. However, the reasons given below forced the Kremlin to consider the resettlement, begun under the direction of Knrushchev, as premature and, consequently, to suspend it. Evidently, the opposition to the immediate implementation of the resettlement plans, advocated by Knrushchev, within the Party leadership led to the decision of the central organs that the measure was premature. The speech of the secretary of the Armenian Communist Party, Arutyunov, for instance, should be considered a manifestation of this opposition. In his speech at a Party congress in that republic, Arutyunov spoke of the funtastic plans of resettlement that some of the prominent members of was directed against Khrushchev who attempted to launch an immediate and large-scale campaign of resettlement. Among other reasons, the opposition was undoubtedly stimulated by the fear that the resistance of the kolkhoz men to resettlement, which was manifest from the very beginning, might aggravate the situation in the kolkhoz the production goals of the current Five-Year Plan. In the event of preparations for materials and provisions.
- However, although the Kremlin was obliged to renounce temporarily the plan of immediate resettlement of kolkhoz men and the ensuing reorganization of villages into "kolkhoz settlements", the project was by no means abendoned. Speaking on this subject at the 19th Party Congress, Malenkov pointed out that at the present time the primary objective was the creation of "a material base of Communism", i.e., the fulfillment by the kolkhozes of their production tasks. Malenkov's pronouncements in his report to the congress are proof that the resettlement will be resumed, but that, according to his statement, this can be done only on the basis of a well developed kolkhoz economy. Therefore, in spite of the declared opposition and the respite won, Khrushchev's plans can in no way be considered as a "deviation" from the general Party line in agriculture. His activities represented a development of that policy. He only tried to speed up the achievement of its goal without taking into consideration the fact that the time for it was not yet ripe, and, therefore, his plans were not completed. however, since the aim of Soviet policy in agriculture the proletarianization of kolkhoz men and the incorporation of the kolkhozes in the State apparatus has not altered, the resettlement will be resumed when the time for it is considered ripe.
- 25. In like manner, the development of "squads" (a form of labor organization in the kolkhozes) in the field of grain production, condemned by Pravda, cannot be considered a "deviation" from the general Party line or manifestation of a struggle among various tendencies in agricultural policy. In an editorial entitled "Against Misconceptions in the Organization of Labor in Kolkhozes", Pravda vehemently condemned, on instructions from the Politburo, the practice of allocating grain cultures to "squads". There can be no doubt that such a direct order had been issued by the Politburo, since the article in Pravda of 19 Feb 50 pointed directly at Andreyev, a member of the Politburo of the Central Committee of VKP(b), who in 1946 headed the so-called Council on Kolkhoz Arfairs at the Council of Ministers USSR, as being responsible for the permitted errors. Without such a directive, an attack of this nature on a member of the Politburo, which directed kolkhoz policies even before World War II, would be inconceivable.
- 26. In connection with the above-mentioned article in <u>Prayda</u> and the subsequent "repentance" of Andreyev (customary in such cases), two erroneous inferences were made by experts on Soviet affairs: a) that "Andreyev's policy" had led the "communal" economy of the kolkhozes not forward to higher forms of collectivization, but backward; that, instead

		25X1	
SECRET/			
	(40)		

25.	X1
SECRET	25X1
-5-	

of developing the spirit of collectivization among the holkhoz men, it furthered their individual interests; and, that his policy thus ran counter to the general Party policies in agriculture. b) that Andreyev's reliance on small "aquads was in conflict, as it were, with Khrushchev's kolkhoz "megalomania", and that a silent struggle over this question had been waged between them, which ended in a triumph for Khrushchev, who carried out the consolidation of kolkhozes.

27. Both opinions are quite erroneous. The first opinion* is eased on the fact that Andreyev, even before World War II had been known to be against the kolkhoz "megalomania and to favor a forming of groups of workers within kolkhozes -- preferably, small "squads". To prove the point, those who maintain this view refer to Andreyev's speech at the 18th Party congress in February 1939. At that congress Andreyev, indeed, made the following statements.

"The practice of wage levelling and de-individualization of labor in the large brigades is the main obstacle to a further rise in the productivity of labor in the kolkhozes It is necessary to climinate these elements of wage levelling and de-individualization of labor The more individual the work in the kolkhozes, whether in the form of 'squads' or individual kolkhoz men, and the greater the material incentive attached to it, the higher is the productivity both in crops and cattle breeding."

- 28. Andreyev spoke in favor of the "squads" at a conference of Siberian "progressists" in the town of Novosibirsk held in 1940. Prava pointed out that his speech represented "a call for the universal establishment of 'squads' in the Siberian grain economy".
- 29. Later, the "squad" system of labor organization was confirmed by the following "legislation":
 - (a) The Government Decree of January 1941.
 - (b) The Decree of the Plenary Session of the Tak VKF(b) of February 1947. (See Prayda of 28 Feb 47).
 - (c) The Decree of the Council of Ministers USSR of 19 Apr. 1948.
- 30. In examining "Andreyev's policy", it should be pointed out first of all that the introduction of the squad system of labor organization would not be contrary at all to Khrushchev's "megalomania". The squad system being a form of intrakolkhoz organization of labor, could be adopted in small as well as large kolkhozes. Moreover, even while opposing "megalomania", Andreyev was never guilty of "deviation" from the general Party Line. During a certain period of development of this "general line", not only Andreyev but Stalin himself and, or course, Khrushchev, were against "megalomania". As is known, already in the initial period of collectivization there developed a tendency to create "giant kolkhozes". However in that period, in the absence of the necessary technology and electric power supply, "megalomania" was defined as the "bending over backwards" on the part of collectivizers of lower ranks. Stalin wrote as early as 1930 that, in the absence of a sufficient number of tractors and a corps of experienced instructors in kolkhozes, the time was not ripe for creating "giants" which have no economic roots in the village. "At this time", wrote Stalin in 1930, "the attention of the workers must be concentrated on the organization and economic work of the kolkhozes in smaller and larger villages. When this work has been successfully accomplished, the "giants" will appear of their own accord.
- 31. Towards the end of the first postwar Five-Year Plan the time was considered ripe for the consolidation of the kolkhozes, and in 1950, 244 thousand small kolkhozes became 97 thousand "giants". Krushchev brought this change about. But Andreyev worked together with Khrushchev on the preparations for this reform. Andreyev's statements

* 1	ת ה	Nikolayevskiy,	MAT	Compaign	agginst.	Villeges	in	USSR".	Novvv	Zhurnal	No	24.	1952
~]		MINOTALACABETA	MCA	COMPOSITION	DESTINA	ATTTORGO	T 1 1	,	710 433	****	110	~~,	_,,,,

	25X1
SECRET,	

	∠ :	581	
SECRET			25X1
<u> </u>	-6-		

with reference to the material incentive for kolkhoz men and the introduction (at Khrushchev's initiative) of the system of extra pay in the kolkhozes, appear to be in complete accord. Not only Andreyev, but also Khrushchev, without deviating from the "general line", followed a path which, in its own way, was oriented toward the interests of individual kolkhoz men. One should not forget that the purpose was to create in the kolkhoz men a material interest in the cause of "communal production", ie that this was one of the measures for the "organizational and economic strengthening" of the kolkhozes. Both Andreyev and Khrushchev worked in harmony in order to carry out the policy of the Politburo which was single in its purpose. It is obvious, that there could have been no conflict on that ground between the two of them.

- 32. As stated above, the squad system of labor organization serves as one of the measures for the "organizational and economic strengthening" of the kolkhozes, both small and large in equal measure. The system was applied widely in the Ukraine, where Khrushchev was secretary of the Tsk VKP(t). It is being vigorously introduced at present in the consolidated kolkhozes. The system, as such, of squads within brigades, was not invalidated, as some authors think. Only after the appearance of the editorial in Pravda and Andreyev's subsequent "retraction" was the practice of assigning grain cultures to the "squads" abolished. It is precisely against this practice that the criticism was levelled. However, the "squads" will be used for a long time in the cultivation of crops requiring a great deal of manual labor -- in fact, so long as the cultivation of these crops is not fully mechanized.
- 33. In order to understand fully the situation, one must take into account the conditions which force the Soviet government to apply widely the brigade -- squad system.
- 34. As is well known in the areas occupied by the Germans, even when the latter attempted to preserve the kolkhozes in order to "wring" from them agricultural produce, the peasants, more often than tot, arbitrarily divided among themselves the kolkhoz land, equipment, remaining livestock, and even the kolkhoz buildings, and reestablished as far as possible individual homesteads. On the other hand, during World War II peasants were full of hopes that the kolkhozes would be abolished, because the Soviet authorities themselves, in order to sustain the will to victory, nurtured those hopes by spreading false rumors. After the war, a special decree of the Council of Ministers USSR and of the Central Committee of the VKP(b), entitled "Measures Against the Violations of the Regulations of the Agricultural Artel in the Kolkhozes" and a number of severe penalties (Pravda, 19 Sep 46) were required to safeguard the kolkhozes. According to Pravda, those penalties were administered in order to halt the practice of kolkhoz men leading to the weakening of the communal principle in the kolkhozes and to protect the "communal" economy of the kolkhozes again t any encroachments. All governmental organs were alerted in order to deliver "the crushing blow to the auti-kolkhoz practices of grabting the communal kolkhoz lands and plundering the kolkhoz property". (Sotsialisticheskoye Zemledeliye, 19 Sep 50). Such measures were necessary not only in the areas previously occupied by the Germans or directly touched by the war but also in all the other regions of the Soviet Union.
- 35. Already at the beginning of the postwar period, the Soviet Government realized that 1t was impossible to kill in peasants the desire for free work outside of the kolkhozes, to exterminate this tendency which became especially apparent after the war, and to surmount the fullblown crisis of the kolkhoz system by sheer administrative pressure. The government's persistent practice of robbing the kolkhozes compelled the kolkhoz man to rivet his principal attention and to concentrate his main efforts on his individual plot and on his private homestead.
- 36. Only through new and more effective methods of compulsion was it possible, in the opinion of the government, to draw the kolkhoz men into "communal" production and to increase their contribution in labor to an extent which ensured reestablishment and further development of production. Among these measures was the reintroduction of the squad system, which had been in practice before the war and which binds the kolkhoz men from the inside, compelling them to more intensive labor in the kolkhozes.
- 37. Fulfillment of the postwar Five Year Plan turned out to be all the more difficult because, after the war, the kolkhozes suffered from an especially acute shortage of manpower, which

	25X1	
SECRET		

25X1
SECRET/
25X1

was aggravated by the low labor discipline. To compensate for the shortage of manpower and thus to ensure, at any cost, the receipt of the produce needed by the State, the authorities introduced new and higher work norms. This measure, however, did not increase the niggardly income of the kolkhoz men.

- 38. Under these conditions it was especially important to bind the kolkhoz man to the land, which was possible only by making him responsible for the size of the crops in a definite area. This was achieved by introducing in the kolkhozes the squad system of labor organization and by strengthening the production brigade as a basic production unit. The formation of squads within the production brigades was "recommended" to
- 39. To that end, the government ordered the kolkhoz administrations to assign to every field crop brigade a piece of land (for no less a period than is necessary for the growing of a crop) and a hay field, as well as draft animals, agricultural machinery, means of transport, and the necessary buildings. "Fluidity" among brigades was not to be tolerated. The brigade personnel was to be increased through cuts in administrative and service personnel. Special efforts were to be made to strengthen the squads already existing within the brigades and to create new ones, and to assign the latter, plots of land for raw crops, industrial crops, vegetable cultures, and seeds, and, where possible, main cultures.
- 40. In this manner direct responsibility was placed on the brigades and squads for an early and high-quality cultivation of the plots allotted to thes, on which, the size of the crop depends. Along with this, a system of material /7 fines and rewards was also introduced. First of all, the system of extra pay in kind for exceeding the set norms of productivity in crops and cattle breeding, introduced before World War II at Khrushchev's initiative, was preserved. Moreover, in accordance with the resolution of the Council of Ministers USSR "Concerning Measures for the Improvement of Organization, Increase in Productivity, and Regulation of Pay for Work in Kolkhozes", of 19 Apr 48, surple mentary additions and deductions of work-days, depending on the crops, were introduced. This resolution was taken into consideration by the February 1947 plenary session of the Central Committee of the Party in reaching its decision. The preparation of the resolution is attributed to Andreyev, which is completely in accord with the facts of the mutter, since Andreyev was the head of the Council of Kolkhoz Affairs in the Council of Ministers USSR and such preparation was his direct responsibility. It is the deductions of work-days that represent the system of material fines which is widely applied in the kolkhozes as a measure of compulsion to greater effort and the maintenance of high standards of performance. The fines, as we shall see from the following, usually exceed the rewards which consist of additions of work-days.
- 41. In practice, material fines and rewards are calculated on the basis of the crops harvested by each brigade and by each squad within the brigade. From the very beginning of their work on the plots assigned to them the kolkhoz men know that the higher their crop yield, the better the pay; and if the yield is below the planned norm, a fine will be imposed. According to the above-mentioned government decree of 19 Feb 46, a brigade which has exceeded the established norm in a given crop is credited with one percent of the total number of work-days spent on the crop for each percent of the excess obtained. And conversely, a brigade which has not fulfilled the plan is fined one percent (but no more than 25 percent) of the work-days for each percent of the unfulfilled quota.
- 42. At the same time, disciplinary measures for violations of the law fixing the increased obligatory minimum of work-days began to be applied more strictly.
- 43. A similar system of fines and rewards, depending on the crop yield, was established also for the squads within brigades. This necessitated a system of computation based on a breakdown of the crop in terms of separate operations (in case of grain cultures, separate threshing results for each squad). Thus, with the creation of squads, "de-individualization" within brigades not only for the land but also for

-	25X1
SECRET,	

	25X1		
SECRET,		, in the second	25X1
	-ö-		

the crop, is finally eliminated, and the personal responsibility of the kolkhoz men for the size of the crop is increased.

- 44. The squad must, through its own efforts, complete all the operations on the plots assigned to it, except those which require the use of complex machinery and the cooperative effort of a great number of kolkhoz men. At the same time, an entire squad or its individual members may be assigned by a brigade leader to do work elsewhere, outside the plot of the squad. In accordance with the regulation of 19 Apr 48, the kolkhozes were "advised" to maintain a permanent squad personnel, not only during the year but also for a longer period of time. The fields intended for spring crops are assigned to the squads before the autumn ploughing; those for winter crops, before the ploughing of the summer fallow. A squad must complete the entire cycle of operations on a given plot and carry full responsibility for the crops raised on it.
- 45. Every kolkhoz man was thus made responsible materially for the results of the collective labor of a brigade as a whole and each squad in particular.
- 46. The aims of the government in introducing the squad system of labor organization are thus clearly defined. By making every kolkhoz man responsible for the size of the crops and, still more, by subjecting him to the pressure of the system of fines and rewards, the authorities endeavored to achieve, with the help of the squad aystem, the following results:

First, to compel the kolkhoz men, members of a squad, to take a personal interest in the quality of ploughing on the plot assigned to the squad; to carry out the operations connected with snow retention; to collect and transport fertilizers; to till the land on their plots more thoroughly; and to look after the crops until the time of the harvest.

Second, by introducing mutual responsibility for the crops, to force the kolkhoz men to watch closely the performance of other fellow members of the squad or the brigade (because, under such conditions, an individual kolkhoz man can avoid fines and receive full pay for the total number of actual work-days only in the event that the quota assigned to the squad and the brigade as a whole has been met).

Third, to provide help for the brigade leader by creating squad leaders: from amon, the kolkhoz men themselves, who would act as supervisors; they are responsible for the work of the squad as a whole and are thus forced to do their duty, viz; to see to it that the established order of the working day is observed; to check the work of every member of the squad; to, ensure fulfillment of the norm and good quality of work.

Fourth, to ensure the maintenance of accurate work records of every individual kolkhoz man, and thereby create the conditions for the introduction of the small-group and individual piece-work system.

- 47. Accordingly, the purpose of the introduction of the brigade and squad system was to compel the kolkhoz men en masse to work more and better, in addition to keeping an eye on one another, not only under the administrative pressure but also under the sharply increased material stress.
- 48. The introduction of the new pay system based on the crop yield placed at once a great number of kolkhoz men under the threat of inevitable adductions of work-days. These deductions could not be avoided, because the former practice of fixing higher norms of productivity, (in excess of the usual level in a given kolkhoz) especially in the "lagging" kolkhozes, in order to raise their level of productivity, was still in existence after the war. While many could try to fulfill and to exceed these higher quotas, the kolkhoz men knew full well that only a few could succeed.
- 49. Further developments in the kolkhozes confirmed this. For example, according to incomplete data concerning the Azerbaijan SSR, in 1948, kolkhoz men in brigades and squads

_	25X1
SECRET	

	25X1	
SECRET,		25X1
Ì	-9-	

raising agricultural crops received 2,135,000 additional work-days for overfulfillment of the plan (Bakinskiy Rabochiy of 19 Apr 49). However, many more days were deducted. The actual figure was not given by the Deputy Minister of Agriculture of the Azerbaijan SSR, A Khalimov, who wrote an article on the subject. He merely remarked that "for non-fulfillment of the production plan, an appropriate number of work-days was deducted from the earnings of the kolkhoz men." Many examples taken from the same year, 1948, show the ratio of additions and deductions of work-days. In the kolkhoz imeni Myasnikov, Nizaminskiy Rayon, 643 work-days were added, while about four thousand were deducted. In the kolkhoz, "Krasnyy Azerbaijan", Agdashskiy Rayon, cotton squads received 500 additional work-days, while grain crop brigades lost 3,400 work-days (Bakinskiy Rabochiy, 6 Feb 49). An identical situation prevails in other USSR republics.

- 50. It is obvious from the above-mentioned examples that for the majority -- in the "lagging" kolkhozes, an overwhelming majority -- of kolkhoz men, rewards for additional work were but a cloud of smoke, while the fines were very real.
- 51. That is why in the "lagging" kolkhozes the tendency to <u>self-disbandment</u> was apparent in the squads from the time of their creation, when obviously excessive plan assignments were given to them. This tendency became especially strong at harvest time. This is understandable. Under the prevailing system of keeping separate crop records for every brigade and squad, it is at harvest time that the threat of fines for non-fulfillment of crop plans is carried out.
- 22. An elequent proof of the growth of this tendency is contained in the government decree entitled "Concerning the Harvesting of the Crops and Stockpiling of Agricultural Products in 1949" (Pravda, 14 Jun 49): In view of the resistance of kolkhoz men to the new method of payment for their work, the government found it necessary to warn once more the Party, Soviet, and agricultural organizations against "de-individualization" during the harvesting period, is that the crops must be recorded by brigades and squads.
- 53. It was just this reminder, portending mass deductions of work-days for non-fulfillment of crop plans by many brigades and squads, especially in the "lagging" kolkhozes, that precipitated the disintegration of squads and even of brigades. This phenomenon acquired mass proportions, for instance, in Irkutskaya Oblast. According to Pravda, in that oblast the crops assigned not only to squads, but to whole brigades, had been de-individualized by harvest time (Pravda, 5 Jul 49).
- 54. The antagonism between the interests of the State and those of the kolkhoz men, which thus came out once more into the open, is inherent, as is obvious, in the very essence of the squad system of labor organization. It is not surprising to it during all the subsequent years the authorities were obliged to wage an unremitting and determined battle for the reestablishment and strengthening of the squad-brigade organization in the kolkhozes. The kolkhoz men resist this system because it represents one of the forms of coercion to greater efforts in the "communal" economy of the kolkhozes and, therefore, infringes upon their interests.
- 55. From the above we see how deeply erroneous are the assertions that the squad system, implanted by Andreyev, prepared the ground for the development of private property relations. The author of this deeply erroneous statement, B I Nikolayevskiy*, visualizes the squad as a haven in which the peasant's individualistic soul finds ground for the preservation of its pristine quality. In reality, however, the work in a squad responsible for the crops on a definite plot only chain the kolkhoz man to the system of "communal production", the products of which are not placed at the disposal of the members of the squad but delivered to the kolkhoz storehouse. Where,

* B	I	Nikoloyevskiy,	"hew	Campaign	against	the Vi	illage in	ussr",	Novyy	Zhurnal,
No	24.	. 1952, New York	k.							

	25X1	
SECRET/		

25X1

SECRET			25X1
_	1	-10-	

then, is the ground on which private property tendencies could triumph in a squad? On the contrary, work in a squad, which demands ever more time from the kolkoz man, not only fails to satisfy his yearning for an individual farm, but takes him away from his small personal plot.

- 56. Starting from a false premise, B I Nikolayevskiy draws a wrong conclusion about the alleged struggle of separate tendencies -- on one hand, the tendency embodied in Andreyev's policy of establishing squads, and, on the other, the one embodied in Khrushchev's policy of consolidating the kolkhozes.
- 57. As we have pointed out, neither the squad system of labor organization, nor "Andreyev's orientation" toward the development of personal interest on one part of the kolkhoz men in increased labor productivity (through rewards, on one hand, and fines, on the other) are in any way opposed to the consolidation of kolkhozes, and both principles are applied in the consolidated kolkhozes. "Andreyev's orientation" can just as easily be called 'Khrushchev's orientation", because the latter, even before Andreyev, worked on measures to increase the personal interest of kolkhoz men in the development of the kolkhoz "communal" economy (the system of extra pay for overfulfillment of the plan for crops and cattle raising.) Khrushchev, just as Andreyev, introduced the squads with equal success first in the Ukraine and then in Moscow Oblest.
- 58. This shows that there never had been any difference of principle between Androyev and Khrushchev, and confirms once more the inviolable unity of the Soviet agrarian policy.
- 59. What then brought about a "change in the course" -- an expression used by B Nikolayevskiy to describe the sudden abandonment by the authorities of the practice of assigning grain cultures to squads -- which occurred in February 1950? How can one explain the criticism levelled directly against Andreyev, which Khrushchev himself may have initiated (the above-mentioned article, "Against Misconceptions in the Organization of Labor in Kolkhozes", Pravdn. 19 Feb 50)?
- 60. It should be emphasized that this "change in course" did not affect at all the basic trends of the kolkhoz policy. In no way did it signify the abolishment of the squad system, as such; it was directed rather against minimizing the role of the production brigades and it concerned only the cultivation of grain cultures by squads.
- 61. No "change of course" had taken place. The criticism was directed against the extreme infatuation with the squad system, against the practice of substituting squads for production brigades. In such cases, not only did the squads receive assignments of plots of agricultural cultures, but also the brigade inventory which was distributed among the squads for permanent use. Squads received assignments directly from the kolkhoz administration, over the heads of the brigade leaders. The practice of substituting squads for origades was especially widespread in Kurskaya Oblast.
- 62. It is quite obvious from the above that such independent "isolated squads" can supplant brigades only in respect to production. The breaking up of trigade fields into small squad plots, not for one cycle of agricultural operations but for a longer time, hampered the use of machinery in cultivation. The necessity of computing grain crops by squads was complicated and held up the work of the combines. All this lowered the productivity of the MISs.
- 63. In other words, conditions developed which were diametrically opposed to those which the authorities endeavored to create by the consolidation of kolkhozes. Indeed, one of the purposes of consolidation was, together with the improvement of the lay-out of fields, the enlargement of the brigade areas, which would allow a more effective use of the machine technique. Rational utilization of the equipment owned by the kolkhoz was also difficult, since a brigade leader could not maneuver the equipment assigned to a particular squad for permanent use. A brigade leader had no freedom of action, and the brigade in cases like that inevitably lost its significance as a basic production unit in the kolkhoz.
- 64. It is, therefore, understandable why the authorities in 1950, when the consolidation of kolkhozes was to be carried out, first of all eliminated by radical measures those

	25X1	
SECRET		

25X1

SECRET		25X1
<u> </u>	-10-	

then, is the ground on which private property tendencies could triumph in a squad? On the contrary, work in a squad, which demands ever more time from the kolkoz man, not only fails to satisfy his yearning for an individual farm, but takes him away from his small personal plot.

- 56. Starting from a false premise, B I Nikolayevskiy draws a wrong conclusion about the alleged struggle of separate tendencies -- on one hand, the tendency embodied in Andreyev's policy of establishing squads, and, on the other, the one embodied in Khrushchev's policy of consolidating the kolkhozes.
- 57. As we have pointed out, neither the squad system of labor organization, nor "Andreyev's orientation" toward the development of personal interest on the part of the kolkhoz men in increased labor productivity (through rewards, on one hand, and fines, on the other) are in any way opposed to the consolidation of kolkhozes, and both principles are applied in the consolidated kolkhozes. "Andreyev's orientation" can just as easily be called "Khrushchev's orientation", because the latter, even before Andreyev, worked on measures to increase the personal interest of kolkhoz men in the development of the kolkhoz "communal" economy (the system of extra pay for overfulfillment of the plan for crops and cattle raising.) Khrushchev, just as Andreyev, introduced the squads with equal success first in the Ukraine and then in Noscow Oblast.
- 58. This shows that there never had been any difference of principle between Androyev and Khrushchev, and confirms once more the inviolable unity of the Soviet agrarian policy.
- 59. What then brought about a "change in the course" -- an expression used by B Nikolayevskiy to describe the saiden abandonment by the authorities of the practice of assigning grain cultures to squads -- which occurred in February 1950? How can one explain the criticism levelled directly against Andreyev, which Khrushchev himself may have initiated (the above-mentioned article, "Against Misconceptions in the Organization of Labor in Kolkhozes" Fravon, 19 Feb 50)?
- 60. It should be emphasized that this "change in course" did not affect at all the basic trends of the kolkhoz policy. In no way did it signify the abolishment of the squad system, as such; it was directed rather against minimizing the role of the production brigades and it concerned only the cultivation of train cultures by squads.
- 61. No "change of course" and taken place. The criticism was directed against the extreme infatuation with the squad system, against the practice of substituting squads for production brigades. In such cases, not only did the squads receive assignments of plots of agricultural cultures, but also the brigade inventory which was distributed among the squads for permanent use. Squads received assignments directly from the kolkhoz administration, over the heads of the brigade leaders. The practice of substituting squads for brigades was especially widespread in Kurskaya Oblast.
- 62. It is quite obvious from the chove that such independent "isolated squads" can supplant brigades only in respect to production. The breaking up of brigade fields into small squad plots, not for one cycle of agricultural operations but for a longer time, hampered the use of machinery in cultivation. The necessity of computing grain crops by squads was complicated and held up the work of the combines. All this lowered the productivity of the Miss.
- 63. In other words, conditions developed which were diametrically opposed to those which the authorities endeavored to create by the consolidation of kolkhozes. Indeed, one of the purposes of consolidation was, together with the improvement of the lay-out of fields, the enlargement of the brigade areas, which would allow a more effective use of the machine technique. Rational utilization of the equipment owned by the kolkhoz was also difficult, since a brigade leader could not maneuver the equipment assigned to a particular squad for permanent use. A brigade leader had no freedom of action, and the brigade in cases like the inevitably lost its significance as a basic production unit in the kolkhoz.
- 64. It is, therefore, understandable why the authorities in 1950, when the consolidation of kolkhozes was to be carried out, first of all eliminated by radical measures those

0.0	25X1	
SECRET		

_	25X1	25¥1
SECRET		23/1
L	-11-	

"misconceptions of labor organization". The criticism in Prayda was by no means dictated by the fear of the government lest private-economy relationships develop in kolkhozes, relationships which might, allegedly, develop on the basis of the "isolated squads". The liquidation of "isolated squads", existing outside of brigades, and the re-establishment of the leading role of the brigade were dictated exclusively by the requirements of large production.

- 65. The "isolated squads" could play the part, attributed to them, of a stimulus for private ownership aspirations only in the event that the crop yield, recorded as having been produced on their plot, passed through the hands of the members of a squad, is that the squad itself delivered the final product of its lab to the kolkhoz. The conditions of production would then really become close in character to the individual operation of a farm and, psychologically, would revive the interest in private ownership, thus conflicting with the "education" of the kolkhoz men in the spirit of collectivism. The physical sensation of grain running through his fingers in a kolkhoz man, conscious of his right to the products of his labor, would constitute a primary source of "pernicious" associations.
- 66. In view of the presence of the above-enumerated "misconceptions" in Labor organization, the surmise that "isolated squads" could carry out to the very end the entire production process of grain cultures, i.e. to produce and thresh the crops on "their" lots, is sheer phantasy. Waging a constant struggle for the kolkhoz "bread" [grain], the authorities would never allow this product to remain even temporarily in the hands of its immediate producers. The authorities have always endeavored, and will continue to endeavor, to prevent direct contact of the kolkhoz men precisely with the "bread" products. It is for this reason that threshing was never done in "isolated squads". If this had taken place, the kolkhozes would have ceased to be kolkhozes. Individual records of the crops harvested on the plots of separate squade are made, as a rule, at the time of threshing by a threshing machine on the common kolkhoz or brigade threshing floor, where the grain after weighing loses its individuality. In case of harvesting by a combine, the grain also goes to the kolkhoz granary, or directly from the combine bunker to the State procurement point. But in this last instance the grain is "de-individualized" shead of time when it is being cleaned. If squads in Kursk Oblast were made to deliver grain to State procurement points, that in no way meant that the squads were disposing of the harvest from their sector independently. The part played by the squad in this instance amounts to merely a transport function. In all cases, the State, through the kolkhoz, takes away from the kolkhoz man not the concrete, tangible product of his personal labor, but a "de-individualized" product of collective production. This alone ought to serve as a prophylactic measure against the energence of "pernicious" associations.
- 67. Only the "isolated squads", those which had replaced brigades, were thus abolished. The brigade-squad system under which squads are created within brigades, was preserved. This system will exist as long as the cultivation of industrial and other culture requires manual labor, i e until the cultivation of these cultures is not mechanized to the same extent as the cultivation of grain cultures. At a high level of complex mechanization, the squad system for all cultures would hammer the productive utilization of machines. Only then would it go completely out of use.
- 68. The assignment of grain cultures to squads, condemned by Pravda, was not justified by necessity, because grain cultures do not require vigorous manual cultivation. At the same time, keeping separate records of crops for each squad complicated the work of the combines and sometimes lowered their productivity by 40 or 50 percent.
- 69. Of course, this is not the only reason why the squad system was abolished in the cultivation of grain cultures. A very important reason was also the fact that the squad system in grain cultures was the cause of overfulfillment of production plans on individual plots to the disadvantage of average productivity. The fact of the matter is that only a part of the area under grain cultures could be assigned to squads. According to Pravda, even in Kurskaya Oblast', where assignments of grain cultures to squads bore a mass character, the whole area was not assigned to them (Pravda, 19 Feb 50). In other oblasts, usually only from a third to a half of the total area under grain cultures was assigned to the squads. Obviously, the squads

	25X1
SECRET	

25X1	
SECRET/	25X1
-12-	

concentrated their attention on their own plots, paying no need to other fields included in the overall brigade assignment. As a result, it often happened that extra pay had to be paid to squads for exceeding quota on their plots while the brigade plan was not fulfilled.

- 70. As a result of the article in Pravda, an end was put to this situation. Beginning with the spring of 1950, full responsibility for grain crops was placed everywhere on the brigades as a whole. However, the principle of profit distribution, based on the record of the crops harvested by separate brigades and squads, which had been "recommended" in the decree of the Council of Ministers USSR of 19 Apr 48, remained in full force. But, in respect to grain cultures, separate records of the crops for that purpose were introduced only for brigades.
- 71. In this manner two results were achieved:
 - (a) The integrity of brigade areas was re-established, and the areas essigned to them became, as a result of the consolidation of the kolkhozes, still greater. This eliminated the conditions hampering the increase of productivity of the machine and tractor pool.
 - (b) A prerequisite was created for a systematic increase of crops on the entire area under grain cultures, because the kolkhoz men, members of a brigade, were now obliged to cultivate carefully not only the plots formerly assigned to squads, but the entire area assigned to the brigade.
- 72. in February 1950 Andreyev was subjected to the severe criticism which led to his "confession".
- 73. Although the Council on Kolkhoz Afrairs under the government of the USSR, headed by Andreyev, did recommend in January 1950 that the squad system be applied to all kolkhozes, it was only carrying out the policy of the Central Committee. Above, we have enumerated the government decrees legalizing the squad system. However, in the resolution of the plenary session of the Party's Central Committee held in February 1947, which approved Andreyev's tnesses, it was airectly recommended to assign, as far as possible, also grain cultures to squads. Plainly, the responsibility for this "recommendation" -- under Soviet conditions equivalent to a law -- lay not with Andreyev alone. However, to admit errors committed by the "infallible" Central Committee runs counter to catablished tradition: Andreyev's acknowledgment of guilt in allowing "misconceptions" represents a forced sacrifice, necessary for the preservation of the prestige of the Party during the repeal of its previous erroneous decisions.

"DICTATORSHIP BY COLLEGIUM" CONTINUES THE STALINIST AGRICULTURAL POLICY

- 74. Hence it is clear that among the "heirs" of Stalin, there never have been, nor are there now, any disagreements concerning the kolkhoz policy. There is not the least doubt that both Khrushchev and Andreyev pursued the same agrarian policy directed toward the single goal which was advanced by Stalin in his work, Economic Problems of Socialism in the USSR. Having been the executors of this policy before Stalin's death, they are continuing it also after his death.
- 75. Its character of unity and succession is attested by the fact that Malenkov, also, takes part in the implementation of the agrarian program promoted by Stalin.
- 76. True, in his report to the 10th Party congress, malenkov considered the living arrangements (resettlement) of kolkhoz men as a task of secondary importance, which can be performed only on the basis of a well-developed kolkhoz economy (the task of first importance was the fullillment by kolkhozes of their production plans). But this can in no way be considered as a renunciation of the policy of proletarianizing the kolkhoz men and incorporating the kolkhozes into the State.
- 77. Since the 19th congress the policy of the Party has been directed toward the execution, in practice, of social and economic reforms -- toward solving "the economic problems

	25X1
SECRET	

25X1

Z J/\ I

X ECRET,	25X1
-13-	

of socialism" put forward by Stalin.

- 78. In accordance with this policy, the entire State apparatus was reorganized. The reorganization which had been planned already during Stalin's life was carried out by Malenkov, together with other "heirs" of Stalin. It is quite obvious that no reorganization of the State apparatus would have been necessary, if Stalin's heirs had had the intention of betraying the policy of the Party, if they had resumed the congress.
- 79. In the reorganization of the State apparatus its perfect consistency with, and subordination to, the new tasks confronting the authorities in connection with the execution of social and economic reforms became apparant. It is revealed, in particular, in the reorganization of the administration of agriculture. The law "Concerning the Reorganization of the Ministries of the USSR", promulgated 16 Mar 53 (Sotsialisticheskoye Emledeliye, No 65, 1953), leaves no doubt whatever that its purpose is to create an apparatus whose task will be to put into practice the measures necessary for the merger of the "communal" property of the kolkhozes with the State property.
- 80. Subordination of the system of government to this task was undoubtedly the main motive for the merger of the ministries administering the kolkhoz sector (the Ministry of Agriculture USSR, the Ministry of Cotton Growing USSR) with the ministries managing particularly the State sector of agriculture (The Ministry of Sovkhozes USSR, the Ministry of Forestry USSR). Only preparations for the introduction of the "exchange of products", contemplated in Stalin's program, could suggest the expediency of the simultaneous merger of those ministries with the Ministry of Procurements USSR. The fact that "the exchange of products" is not being introduced immediately does not refute the statement at all. The merger of the above mentioned ministries represents an early preparation of the State apparatus for the forthcoming reforms.
- 81. Out of all these ministries a single apparatus was created -- the Ministry of Agriculture and Agricultural Procurement USSR. In it are concentrated all the technical levers capable of giving the right direction to the reorganizational process which leads to the
- 82. In what does the agrarian program, inherited by the "dictatorship of the collegium" consist? What are the paths to, and the methods of its execution? These questions, which determine the line of action of the dictatorship of the collegium in the future, require particular study.

THE SUBORDINATION OF THE POST-STALIN AGRARIAN POLICY TO THE OLD PLANS OF AGGRESSION

- 83. In order to discern the character of the future economic and social reforms in the USSR resulting, in perspective, from the decisions of the 19th Party congress, it is most important to analyze the measures in the agricultural field. In evaluating their significance one must start with the premise that the Soviet agrarian program is first of all subordinated to the purpose of increasing the economic power of the Soviet State as an agent of Communist aggression. The preparation of the rear for war is first of all subordinated to that goal.
- 84. One anothest force thru Sudin makes the establishment of Communism dependent on the "withering," of the state, which is impossible to achieve without the previous destruction of "depitalist madrelement". One must not forget either, that Stalin's heirs confirmed -- in Marchkov's words pronounced over the bier of the distator -- that "the edge, of one Soviet State is the most important prersquisite to the building of Gommunism in our contry."
- 85. These words uttered ty Maltimov after Stalin's death constitute a stern warning to the Western democracies. Is not "the might of the Soviet State" required rather for the reason that, with the branchition to Communism, the boundaries preventing the extension of the Communist dictatorship to the entire free world must first be destroyed? Why is it absolutely necessary, in order to build Communism in USSR, "to outdistance the principal capitalist countries" in the economic sense?

	25X1	
SECRET,		

SECRET		25X1
'	-14 -	

- 86. If in order to cuild Communism, an abundance of products must be achieved, why is not the Party guided by the actual requirements of the population, which must be catisfied, rather than the level of industrial production of "the principal capitalist countries"? "Only in the event that we outdittance the capitalist countries can we count on having an abundance of products and on being able to effect the transition from the first to the second phase of Communism" (Stalin).
- 87. After the dictator's death, Malenkov corroborated the real meaning of the words that Stalin uttered as early as at the 18th Party congress.
- 88. It is not the abundance of products that is sought by the competition with "capitalist countries" but the building of "the might of the Soviet State" -- the military and economic supremacy of the USSR -- without which "capitalist encirclement" cannot be destroyed.
- 89. It was precisely this task -- a premise to the "withering" of the State, and an essential prerequisite to the obliteration of state boundaries and the extension of the Kremlin's power throughout the world -- that came under discussion at the 18th Party congress.
- 90. That the State will not exist forever is an unshakable Party postulate. According to official Party phraseology, the State is necessary as long as "communal" property must be protected, as long as the country must be "defended", etc. In his report to the 18th Party congress, Stalin answered the question as to how long the State would be preserved, as follows:

"Will the State be preserved also in the period of Communism?

"Yes, it will be, if the danger of military attacks from the outside is not eliminated. At the same time, maturally, the form of our State will be changed again in accordance with the changes occurring in the domestic and foreign situation.

"No, it will not be preserved and will wither, if the capitalist encirclement is liquidated and is supplanted by a socialist one."

- 91. It is clear that the elimination of "the danger of military attacks from the outside" by replacing, by force, the "capitalist encirclement" with a socialist one is possible only through the development of the military and economic potential of the USER to a degree which would give it supremacy over "the capitalist countries".
- 92: The "withering" of the State in connection with the building of Communism in the USER (consequently also the prelininary destruction of "capitalist encirclement" is discussed also in Stalin's Economic Problems of Socialism in USER. Hence it is quite clear that the purpose of building up "a material base for communism", under which slogan the second postwar Five-Year Plan is taking its course in the USER, and that of strengthening the military and economic potential of USER (i e the purpose of direct preparations for war) are identical.
- 93: In order to carry out their plans of aggression, Stalin's "heirs" must introduce a number of reforms which would enable them to meet the increased mobilization demands of the Communist apparatus for aggression. It is just for that purpose that "a single production sector" must be created, the entire production of which must be completely at the disposal of the State authorities. The center of gravity of future reforms which lead to the creation of "a single production sector" lies in the realm of the kolkhoz policy.

AGRARIAN REFORM -- A MEASURE DESIGNED TO PREPARE THE REAR FOR TOTAL WAR

94. It is precisely in the kolkhoz village that the principal line of division between the contemporary form of Soviet socialism and its final form is to be found. Indeed, "the difference between the city and the village" [reflected in] the social status of

_	25X1
secret/	

	25X1	_ 25X1
SECRET/		
	זכ	

the peasantry is the formal obstacle which prevents the Stalin dictatorship from crossing the line into the sphere of complete domination by the state authorities of the personal interests of the entire population. This barrier can be broken down and the peasants' psychology altered only by a radical change in the very essence of the kolkholes and the social significance of the peasantry, which still represents by its very status a separate class of Soviet society. No other class in the USER has any individual property, whereas such property is the center of personal interest for the kolkholes man. Since the domestic policy of the Communists is hampered by the resistance of the peasantry and by the economic conditions of the country, the kolkholes man still owns such property in the form of individual plots priusadebnyye kholysystva. Even nominally, no other class owns group or collective (the so-called "communal") property, nor does it have the right to the products of its own labor, such as every group of peasants, united in a kolkhole, possesses, formally.

- 95. Having built the so-called "classless" society, Stalin retained, for the time being, this class distinction. But it will be retained only until the development of the "communal" economy of the kolkhozes has reached its peak. Stalin let the kolkhozegroup "property" stand until the present time in order, first, to transform and to exploit the sense of property peculiar to kolkhoz men and, second, to pump over the money of the city population, through the kolkhoz market, and thus increase capital investment in agriculture and satisfy the current production needs of the kolkhozes.
- 96. It is clear that cooperative "communal ownership" is a crude fiction. It is also clear that this fiction serves Soviet propaganda as a cover for the actual expropriation of the kolkhozes, whose produce is taken over by the state for almost nothing. It is understandable that only illusions (that Soviet propaganda tries to nurture) can preserve in kolkhoz men the sense of ownership of kolkhoz produce. This illusory sense of ownership is the only thing that the authorities still hope to use for some time as a stimulus for the overall development of the "communal" economy of kolkhozes and the growth of their productivity. (Of course, in this development a great role is also played by the kolkhoz market which partly compensates for the losses sustained by the kolkhozes because of the low prices of products procured by the state from the kolkhozes). When this goal is reached, when the accumulation of "communal" property and the production volume increased by full utilization of the kolkhoznik's labor which is now spent on his personal plot have reached their maximum, the fiction of cooperative and group property will be abolished. The "communal" property of the kolkhoz will become "national" property, to be controlled by the central authorities. The state will become its master in name, too.
- 97. This is a vital necessity for the Kremlin dictatorship, in light of the USSR's preparation for war. The attraction that the kolkhoznik's individual plot has for his work and the impossibility of placing a considerable part of his production under state control are facts that obviously conflict with the tasks of the complete "appropriation" of agricultural "productive forces" by the state. Even the fiction of kolkhoz-group property harbors an organic contradiction between the interests of the state authorities and those of the individual harbornik and his transformed sense of property. The struggle of the authorities for grain" was always the culmination of their conflict with the persantry and this struggle is resumed every year at harvest time. The principle of distributing profits in kind on the basis of work-days, which is connected with kolkhoz-group "ownership", inevitably provokes stubborn resistance on the part of the kolkhoz men to the stockpilling of grain by the state. The reason is plain: the compulsory delivery of grain to the state depreciates the value of the workday. Continuous existence on a semi-starvation basis exacerbates the conflict between the kolkhozniks' sense of concership toward the products of their collective labor, their sense of having a right to that "grain", and the tendency of the state to appropriate these products. At the same time, the interest of the kolkhoz men in increasing their labor productivity is to a great extent extinguished.
- 98. This is exactly what Stalin defines as the "contradiction between productive forces and production relationship". At present, this contradiction is neutralized by compulsory measures, But, considering the plans for further development of kolkhoz production and the increase in the volume of the produce appropriated by the state, the existing "production relationship" will hamper evermore the development of the "productive"

	25X1	
SEDERT/		

SECRETA		25X1
	-16-	

forces", and the contradiction between the two will inevitably grow into a "conflict".

- 99. That is why the State authorities must change the "production relationship", i.e abolish kolkhoz-group property, which -- with the land and the means of production belonging to the State -- is still formally represented by the produce of kolkhozes. This measure is rapidly coming to a head because it is the only way for the Communist policy of aggression to avoid a "conflict" which, under war conditions, might prove fatel. Only after the process of proletarianization of kolkhoz men and stripping them of any sense of ownership has been completed, can the central authorities be unhampered in their retention of full control over the production of kolkhozes.
- 100. This the State will achieve by abolishing the "privileges" of the peasantry which have been temporarily preserved; by abolishing the right of the kolkhoz men to own any property; and later, by openly expropriating the kolkhozes. By that time, the perfected methods of compulsion to work will easily replace the illusory sense of collective ownership, as the principal "stimulus" in the agricultural production. Kolkhozes will become State agricultural enterprises. In this way the situation of the workers and the peasants will be made equal -- "the difference between the city and the village", which prevents the establishment of complete monopoly of the State interests in kolkhoz production, will be wiped out.
- 101. The charge of the social nature of kolkhozes leads to a complete proletarianization of kolkhoz men and necessitates a change in the existing forms of payment for their work. It represents the corner stone of the preparation of the rear for war conditions, a transition of the USSR to "perfected", completed, Soviet socialism. Consequently, the tasks envisaged by the Fifth Five-Year Plan and designed to create the premises for the construction of a Communist society" cannot be considered without taking into account their relationship to the general goal of social and economic reforms in agriculture -- their relationship to the forthcoming agrarian reform. This reform, while being introduced by gradual steps, will not be completed, however, before the development of "communal" production in kolkhozes has reached the highest level possible within the limits of the existing "production relationship".
- 102. Obviously, the State cannot eliminate the fiction of kolkhoz-group ownership immediately. As long as the exploitation of the kolkhozniks' labor does not produce sufficiently high results; as long as the conditions of "profitability" of the kolkhoz economy, necessary for their conversion into State enterprises, have not developed, it is not worth while for the State to destroy formally the fiction. It makes no sense to undertake to pay the kolkhoz men for their work when, preserving the fiction of kolkhoz-group ownership, the kolkhoz men can work for nothing.

JERTAIN INDICES OF THE GROWTH OF THE MATERIAL BASE OF COMMUNISM IN AGRICULTURE

- 103. The published data taken from Maichkov's report to the 19th Party Congress do not testify at all to a sharp increase in labor productivity which allegedly has already been achieved in agriculture. First of all, although, according to Malenkov's data, the strength of the tractor pool compared to the pre-World War II level, increased by 59 percent and the number of combines by 51 percent, it does not follow that the level of mechanization per area unit rose as much. The Five-Year Plan, which foresees complete mechanization of basic operations in agriculture by 1955, is indicative of that. Besides, a confirmation of the same may be found in the general explanation which can be given concerning the production of 3,000,000,000 poods /a pood equals 36.113 lbs 7 of grain, allegedly attained in 1952, and the 1951 production of raw cotton (exceeding the prewar gross production by 46 percent) and that of sugar beets (31 percent), as well as other similar indices. The reason for this growth in gross production is not only the productivity level, but also the enlargement of the sown area by 5,300,000 hectares, conditioned by the increase in the machine and tractor pool. It is also difficult to estimate the amount of production added to "the gross receipts" by war reparations and other levies from vassal states.
- 104. In order to get an indirect idea of the time necessary for the implementation of the forthcoming agrarian reform, one must first of all find the answers to the following questions: to what extent is the increase in agricultural production, envisaged in the

	25X1	
SLCRET/		

25X1

SECRETA	25X1
-17-	

Fifth Five-Year Plen, realistic? Can the gross collections of grain be increased by 40-50 percent; those of raw cotton, by 55-65 percent; trose of flax fiber, by 40-50 percent; those of sugar beets, by 65-70 percent; etc.? Can a fodder base be created which would be adequate to the increase in live-stock --- cattle by 18-20 rercent, sheep by 60-62 percent, pigs by 45-50 percent -- and still guarantee a high productivity in stock raising?

- 1C5. As measures guaranteeing the future growth of productivity -- in agriculture, the following changes, according to plan, must take place: the irrigated area of agriculture, in particular must be widened. It is planned to increase the irrigated area by 30-35 percent during the Five-Year Plan by building 30,000 35,000 ponds and reservoirs in kolkhozes and state farms /sovkhozes/. The old system of irrigation must be changed for a new one. A further development in the fulfillment of the plan of field shelter belts is also envisioned. During the period of the Five-Year Plan, a foundation for at least 2,500,00 hectares of field shelter belts in kolkhozes and state farms must be laid, and about 2,500,000 hectares must be seeded or planted as State forests. In order to fulfill the increased program of agricultural operations, the strength of the tractor pool must be increased by approximately 50 percent by the end of the Five-Year Plan, thus completing the mechanization of the basic operations in agriculture.
- 106. Such are the basic indices in the development of agricultural production during the Fifth Five-Year Plan, the achievement of which would, to a considerable degree, meet the requirements of the State in connection with the implementation of the agrarian reform.
- 107. However, the conditions determining the dynamics of agricultural production and, at the same time, the timetable of the future agrarian reform, require a critical analysis.
- 108. The principle of the grassfield system of agriculture is the scientific and technical basis of agricultural production in the Soviet Union. It includes all branches of agriculture, and unites the economic and agrotechnical factors affecting the level of work productivity in agriculture.
- 109. They are directed toward an increase in the fertility of land and a complex development of all branches of the economy. Grassfield crop rotation, compulsory development of stock raising, creation of field shelter belts, construction of ponds and reservoirs, etc, are parts of it.
- 110. The evaluation of the effectiveness of the grassfield system of agriculture -- achieved by interplay of organizational, technical, social, and economic factors -- must be expressed first of all in the size of crops. Being a synthetic and natural index, characteristic of the condition of agriculture, it will also reveal the degree to which the Soviet State has mastered "the production forces" in agriculture.
- 111. As a criterion, take the indices in grain production. The gross grain collection in 1950, according to official Soviet data, amounted to 121,600,00 tons. In accordance with the planned increase of 40-50 percent, the amount in 1955 ought to be 17-182,000,000 tons. Do the production conditions in kolkhozes and state farms warrant such a jump?
- 112. But this is only the first rung of the ladder. Combining the economic tasks of the Fifth Five-Year Plan with the prospect of social reorganization of kolkhozes, this is not the only question to be answered. No less important is it to determine the following steps too, i e to give a forecast, based on scientific facts, of the development of agricultural production in the USSR during the next five years.
- 113. The introduction of grassfield crop rotation and the development of field shelter belts was begun in the Soviet Union as early as 1948. The agrotechnical significance of organized crop rotation in the increase of productivity of agricultural crops, consists in the two-rold effect of the rotation on the soil: 1) grassfield crop rotation restores fertility to soil; this is achieved by the obligatory inclusion in crop rotation of perennial cereal grasses and leguminous plants; during two or three years they are capable of forming a layer of soil in the field which, in respect to its physical

	25X1	
SECRET/		

SECRET,		25X1
	18-	_

structure and the reserves of nitrogenous substances, compares to a natural 20 year-old deposit; 2) the characteristic peculiarity of grassfield crop rotation is also the so-called cultivation of fallow fields. The significance of this agrarian method consists in cleaning up the fields of weeds, the mineralization of organic substances, and the accumulation in the soil of moisture reserves.

- 114. A study of experimental data of a number of scientific research institutions, covering many years, entitles us to speak on the subject of the great effectiveness of the grassfield system of agriculture. Applied to grain production, provided the entire grassfield agrotechnical complex is well organized, this system can double the harvest. Obviously, the time it would take to achieve such results depends upon the conditions of production. Knowing these conditions, it is impossible to assume that the growth of productivity on the entire territory of USSR can occur in a sudden jump. Besides, according to a phenologically-based chart, the influence of the field shelter belts laid during the first period of forest planting (i.e. before 1950), can begin to come into effect, due to their age, first in 1958. It will be able to grow steadily only during the following seven years, when more than a half, -- and in case of pre-term fulfillment of planting plans -- 3/4 of all field shelter belts will join the ranks.
- lower the increase of crops that is theoretically possible. Taking all things into consideration, up to 1965, as much as a 50 percent increase of harvests on fields subjected to a single grass sowing is actually possible, while on fields that have been sown to perennial grasses twice, an increase of as much as 75 percent is possible. Only later on, when a large area will have benerited from rield shelter belts, will an overall doubling of the yield on fields that have undergone two grass plantings be possible.
- 116: We take the entire cultivated area of about 200,000,000 hectares as the point of departure in our estimates. We establish the correlation of crops on the basis of typical diagrams of crop rotation that has been introduced. We take into account the fact that the planting of perennial grasses has resulted in an increase of harvests since 1949. We determine the period of complete mastering of the total grass area on the basis of the possible reproduction rates of perennial grasses. In this way we find that the entire cultivated area cannot be subjected to the effects of one perennial grass sowing until 1966. In 1958, the process of subjecting a certain part of the fields to a second planting of perennial grasses will begin, and it can be finished in 1975.
- 117. Having obtained a clear picture of the fields affected by perennial grasses, according to the years, we can now estimate the possible increase of grain crops on these fields. Taking into consideration the gradation, arrived at in connection with the number of crop rotations and the extent of the influence of field shelter belts, we establish, in perspective, the following dynamics of the growth of grain production in USSR according to five-year periods:

Year	Average increase of grain harvests as compared with 1950 (in percentage)	Average grain harvests in centners per hectare	Gross grain collections on unchanged sowing area of 105,800,000 hectares
,	Percent	Centners	Tons
1955 1960 1965 1970 1975	14.2 40 58.3 92.5	13.7 16.8 19.0 23.1 24.0	144,900,000 178,100,000 201,900,000 244,500,000 253,900,000

118. We have established the first limits of the increase of grain production in the user which can be achieved under certain conditions during the period of two cycles of grassfield crop rotation. The results of our estimates represent fully realistic quartities. In our prognosis only the terms of attaining these results are conditional. At the same time, one of the most important prerequisites to the achievement of these

	25X1
SECRET/S	

SECRET/	25X1	
	-19-	

results is the obtaining of large yields of the green mass /zelenaya massa/ of perennial grasses -- which are characterized by the development of a great mass of roots in the soil -- over the entire territory. Only then can the formation of the soil structure be vigorous, and the structure acquire stability. As long as the grass yield is low, either there will be no increase in grain crops at all, or, if there is, it will be quite insignificant.

- 119. The same pertains not only to grain crops but to all the other varieties of agricultural production.
- 120. The most uncertain factor is the time at which the agrotechnical organization of the grassfield crop rotation will be first achieved. We have in mind a number of practical problems connected with field grass sowing in the USSR which have not yet been solved. Prerequisites for a good development of perennial grasses are far from existing in every soil and climate zone. It is true that in our estimates we did not take into consideration such independent factors as the development of irrigated agriculture, the deepening of the arable layer, the introduction of crops of greater productivity, or the raising of the general agrotechnical level of production.
- 121. All these factors taken together can meet the planned increase in gross grain collections, an increase that is possible provided only that a grass layer of full value is developed to the extent that we have taken into consideration. But even under such conditions the 105,800,000 hectares of grain crops can produce at the end of the current Five-Year Plan a gross collection of only 145,000,000 tons instead of the 170-182,000,000 tons stipulated by the plan.
- 122. That is why, in conjunction with the distribution of the land of the consolidated kolkhozes, a temporary "crowding" of grassfield crop rotations with grain crops at the expense of the areas of perennial grasses of low fertility is taking place in the Soviet Union. Our estimates were based on the optimum -- from the agrotechnical point of view -- proportion of grain crops -- 52.9 percent of the cultivated area. This corresponds to the arable area, which, according to the plan, emounted to 105,800,000 hectares in 1950. In order, however, to obtain the wanting 25-37,000,000 tons of grain in 1955, this area must be extended, an achievement being sought in the "crowding" of crop rotations. We do not know no what extent this snortage of grain production will be overcome at the expense of the vassal states. If, however, this source is excluded, the acreage under grain cultures would have to be increased by 11-27,000,000 hectares by means of "crowding". Grain crops would then take up 56.3 66.4 percent of the total acreage under cultivation. But there is nothing incredible in this either. According to the plan for 1950, grain cultures constituted 66.6 percent of the total acreage under cultivation.
- 123. In this way, with the average productivity of 13.7 centners per hectare, the plan for the amount of "gross collections", it partially supplemented by the vassal states, could be achieved. However, in view of the lack of the most vital agrotechnical prerequisite to the stability of the crops, namely, a grass layer of full value, this will greatly depend on frequency of rais.
- 124. It is evident that during subsequent years, in proportion to the increase in fertility of the perennial grasses supplementing the fodder base of animal husbandry, the acreage under grain cultures will gradually reach optimum magnitude. The reduction in area under grain cultures will be compensated for by the increase in fertility afforded by the perennial grasses. Thus, only after the first period, that required for the organization of grassfield crop rotation, has been concluded, will the grassfield system succeed in promoting a snarp increase in the productivity of labor and serving as an index of the skill of Soviet agriculture. Until this result is achieved, the development of animal husbandry and other branches of agriculture will remain a heavy burden on the kolkhoz economy.

SOCIAL DEFECTS OF THE KOLKHOZ ECONOMY

125. Serving as the basis of the general development of the economy, the grassfield system of agriculture contains large reserves of labor productivity which the Soviet State appropriates. On one hand, it leads to a fuller absorption of kolkhoznik's labor and

	25X1	
B ECRET,		

25X1

SECRET/		25X1
1	-1.9-	

results is the obtaining of large yields of the green mass /zelenaya massa/ of perennial grasses -- which are characterized by the development of a great mass of roots in the soil -- over the entire territory. Only then can the formation of the soil structure be vigorous, and the structure acquire stability. As long as the grass yield is low, either there will be no increase in grain crops at all, or, if there is, it will be quite insignificant.

- 119. The same pertains not only to grain crops but to all the other varieties of agricultural production.
- 120. The most uncertain factor is the time at which the agrotechnical organization of the grassfield crop rotation will be first achieved. We have in mind a number of practical problems connected with field grass sowing in the USSR which have not yet been solved. Prerequisites for a good development of perennial grasses are far from existing in every soil and climate zone. It is true that in our estimates we did not take into consideration such independent factors as the development of irrigated agriculture, the deepening of the arable layer, the introduction of crops of greater productivity, or the raising of the general agrotechnical level of production.
- 121. All these factors taken together can meet the /planned/ increase in gross grain collections, an increase that is possible provided only that a grass layer of full value is developed to the extent that we have taken into consideration. But even under such conditions the 105,800,000 hectares of grain crops can produce at the end of the current Five-Year Plan a gross collection of only 145,000,000 tons instead of the 170-182,000,000 tons stipulated by the plan.
- 122. That is why, in conjunction with the distribution of the land of the consolidated kolkhozes, a temporary "crowding" of grassfield crop rotations with grain crops at the expense of the areas of perennial grasses of low fertility is taking place in the Soviet Union. Our estimates were based on the optimum -- from the agrotechnical point of view -- proportion of grain crops -- 52.9 percent of the cultivated area. This corresponds to the arable area, which, according to the plan, amounted to 105,860,000 hectares in 1950. In order, however, to obtain the wanting 25-37,000,000 tons of grain in 1955, this area must be extended, an achievement being sought in the "crowding" of crop rotations. We do not know to what extent this shortage of grain production will be overcome at the expense of the vessal states. If, however, this source is excluded, the acreage under grain cultures would have to be increased by 11-27,000,000 hectares by means of "crowding". Grain crops would then take up 58.3 60.4 percent of the total acreage under cultivation. But there is nothing incredible in this either. According to the plan for 1950, grain cultures constituted 66.6 percent of the total acreage under cultivation.
- 123. In this way, with the average productivity of 13.7 centners per hectare, the plan for the amount of "gross collections", it partially supplemented by the vassal states, could be achieved. However, in view of the lack of the most vital agrotechnical prerequisite to the stability of the crops, namely, a grass layer of full value, this will greatly depend on frequency of rain.
- 124. It is evident that during subsequent years, in proportion to the increase in fertility of the perennial grasses supplementing the fodder base of animal husbandry, the acreage under grain cultures will gradually reach optimum magnitude. The reduction in area under grain cultures will be compensated for by the increase in fertility afforded by the perennial grasses. Thus, only after the first period, that required for the organization of grassfield crop rotation, has been concluded, will the grassfield system succeed in promoting a snarp increase in the productivity of labor and serving as an index of the skill of Soviet agriculture. Until this result is achieved, the development of animal husbandry and other branches of agriculture will remain a heavy burden on the kolkhoz economy.

- SOCIAL DEFECTS OF THE KOLKHOZ ECONOMY

125. Serving as the basis of the general development of the economy, the grassfield system of agriculture contains large reserves of labor productivity which the Soviet State appropriates. On one hand, it leads to a fuller absorption of kolkhoznik's labor and

	25X1
ECRET/	

	25X1		
CRET/		-	

25X1 -500-

to a more productive utilization of this labor for the exclusive benefit of the Soviet State. On the other, as a consequence of the above, and counter to the personal interests of the kolkhoznik, it tends to tear him away more and more from his individual plot. The propaganda significance of the so-called "plan of the transformation of nature" which leads, from the economic point of view, to economic progress, is at the same time destroyed, because, from a social point of view, this economic progress hastens the proletarianization of the kolkhozniks.

- 126. The nationalization of the communal property of kolkhozes, which, in accordance with the program of "building up Communism" must take place after their "productive forces" have been thoroughly developed, will only formally sanction a certain degree the situation in which the kolkhozniks now exist. The kolkhozniks realize perfectly well that they own their "communal" farm only in name, that in fact it belongs, as well as the produce of their labor, to the State. Being forced to work in a "communal" farm and, at the same time, not being able to make use of the products of their labor, the kolkhozniks do not envisage in the economic development of the kolkhozes the same future prosperity that Soviet propaganda promises. The goal of the world hegemony of Communism, which agricultural production in the USSR was also made to serve in the first place, has nothing in common with the interests of the kolkhoz peasantry.
- 127. The passive resistance of the kolkhoz men to the introduction of the elements of the grassfield system of agriculture is aggravated by the fact that the performance of the labor involved in it has a direct adverse effect on wages in the kolkhozes. The most graphic example of this is the work involved in the planting of field shelter belts. The execution of that task costs the kolkhozes a tremendous number of workdays, while the results of that work may appear only in the distant future. kolkhoz men are compelled to perform additional work free of charge, since the additional workdays spent in forest planting lead to the depreciation of the value of the workday. This applies in equal measure to other types of work (for instance, the construction of ponds and reservoirs).
- 128. Owing to the same economic conditions of kolkhozes, the development of "communal" animal husbandry, which represents an inseparable link in the grassfield system of agriculture, is directly contrary to the vital interests of the kolkhoz peasantry. The growth in the number of cattle on kolkhoz farms, accelerated by the Soviet government by every means, long ago far outstripped the establishment of a corresponding fodder base. The government was compelled to admit that the production of fodder now, as before, has failed to meet the demands of the growing animal husbandry.
- 129. Hence it follows with full clarity that maintenance of the "communal" cattle on the farms greatly lowers the already niggardly economic level of the kolkhozniks, because the feeding of the cattle absorbs a considerable portion of the natural resources which could otherwise be partly used for distribution on workdays.
- 130. By the way, in many cases it had an indirect effect on the rate of adaptation of the system of grassfield crop rotation. Seeking to decrease, as far as possible grain and fodder reserves (which also swallow up a considerable portion of the production intended for distribution on workdays), the kolkhoz men try to increase the reserves of coarse fodder, hay, in particular. Therefore, grasses on grass sown areas are often moved for hay, as occurred in Stavropol' Krai, as a result of which there were no seeds.
- 131. All the examples of resistance on the part of kolkhoz men to the adaptation of the elements of the system of grassfield crop rotation and their indifference to the development of "communal" economy of the kolkhozes stem from the same cause: forced labor at the present time and forced labor inseparable from the future economic progress of kolkhozes.
- 132. The grassfield system of agriculture represents an efficient scientific and technical basis for the realization of these prospects. However, the social basis for the realization is in irreconcilable conflict with the interests of the kolkhoz peasantry. The agrarian policy of the Bolsheviks did not eliminate the "contradictions between productive forces and production relations" which humpered the implementation of the

. ·	25X1	
SECRET/		

SECICETY		25X1
1	-21-	1

grassfield system of agriculture in pre-revolutionary Russia. Their policy which leads toward the utopian goals of Communism has only given this contradiction a new and harsher form, under which the products of production are absorbed by the gigantic machinery of the share-owner state, while the interests of the producers are suppressed by the crude force of a totalitarian regime.

"EXCHANGE OF GOODS", AS AN INSTRUMENT FOR THE EXPROPRIATION OF KOLKHOZES

- Does this mean that it is too early to speak of the existence of primary foundations of the "economic base of Communism," representing the production maximum, into which, under the prevalent "production relations", the forced labor of kolkhoz men could be embodied? Does this mean that it is too early to speak of the approaching obsolescence of the kolkhoz -- group economic formation acting as a brake on the further development of the "productive forces"? Does this mean that it is too early to speak of the time becoming ripe for transferring the kolkhozes int 'a new social quantity? Not at all. The introduction of measures necessary for the complete adaptation of the grassfield system of agriculture depends on the degree of excellence of the measures which the Soviet government takes to force the kolkhoz men to work harder. These measures determine, to a large extent, the time factor on which the release of productivity reserves of agriculture inherent in the grassfield system of agriculture depends.
- 134. Moreover, on what level does the curve of labor productivity determining the beginning of the "Communist prosperity" run? Will not the results, which can be achieved during the current Five-Year Plan, turn out, in the opinion of the government, to be adequate for carrying out the first stages of the agrarian reform?
- 135. We cannot help but see vital signs of the real imminence of the agrarian reform. The Fourth five-Year Plan ended in the enactment of a great measure by the Soviet authorities -- the consolidation of kolkhones. It present, there are 97,000 consolidated kolkhones in the USSR instead of 27h,000 small kolkhones which existed on 1 Jan 50. This represented completion of collectivization which enhanced the commanding role of the state and its influence on the conomic life of the kolkhones. It was also an important step in the preparations of the rear for war. First of all, reliable and well qualified personnel were selected as kelkhon amagers. The labor force was partly augmented by additions from the administrative personnel which, before consolidation, numbered several million men.
- By consolidating the kollmones the government created favorable conditions for drawing nearer the date of the liquidation of the agricultural artel -- a contemporary socialist form of kolkhouses and their transformation into enterprises of the "consistent socialist type". This measure notably narrowed the gulf between the growth of the technical-power base, at the expense of the State means of production, and the rate of the development and accumulation of their "communal" property.
- 137. An important practical result of the consolidation was the liquidation of a great number of lagging farms which were absorbed by more powerful kolkhozes. The concentration of indivisible reserves resulting from consolidation is undoubtedly favorable to the acceleration of the rate of "empanded reproduction". Suitable conditions were also created for a fuller utilization of the technical means of MIS, as a lever of government pressure on the development of the "communal" economy of kolkhozes. At the same time, the increase in productivity of the machine and tractor pool guarantees a more painless release of human reserves from kolkhoz production in case of mobilization for war.
- 138. The conditions created by the consolidation of kolkhozes are undoubtedly favorable to the increase of their "Tovarnost" /rate of commodity production to the total output/ and to an accumulation of "commod" property, although the "tovarnost" of kolkhozes is an extremely relative consequion (their "tovarnost" can grow not only at the expense of increased productivity but also at the expense of a reduction in natural reserves destined for distribution recording to workdays). The fact which Benediktov pointed out at the 19th Congress that the indivisible funds of the kolkhozes, in connection with the increase in monetary profits, were more than twice as big in 1952 than they were in 1940 must be considered as a consequence of the growth of "tovarnost". Of course, Soviet statistics included here also the socialized property of the new kolkhozes in the anaexed oblasts. But, at the end of the Fourth Five-Year Plan, under the same

	25X1	
Secnet/		

	25X1	25¥1
SECKET,		25/1
	-22-	

conditions, the increase amounted to only 1.6 times. One cannot help but admit that the increase of indivisible funds, and, consequently, of "communal" property, in one year following consolidation is significant. The rates of this growth resulting from the transition from a one-sided specialization to a general development of a "communal" economy, connected with the introduction of the grassfield system of agriculture, must continue to increase. This conclusion follows logically from the variety of the "tovarnost'" which is being built up and from the improvement of the financial situation of kolkhozes connected therewith.

- 139. The great number of measures of Soviet leadership applied in that direction pursue the following practical ends: 1) an increase of monetary profits of kolkhozes -- the transformation of kolkhozes into "kolkhoz millionnaires"; 2) depending on the above increases, an increase of indivisible funds of kolkhozes, i.e. the strengthening of the main source of capital investment in the further development of "communal" economy -- the maximum accumulation of the "communal" property of kolkhozes; 3) an increase in kolkhoz production with a simultaneous substitution of monetary payments by work-days for payments in kind, i.e. the establishment of premises for bringing the kolkhozes, in respect to payment for work, to the level of State farms.
- 140. Is it not clear that the intensification of the "expanded reproduction" of kolkhozes at the same time leads to the kolkhoznik's breaking further and further away from his individual plot and to a more complete absorption of his work by the "communal" economy of the kolkhoz?
- 141. Stalin's last "work", "The Economic Problems of Socialism in the USSR", and the materials of the 19th Party Congress fully confirm our prognosis of long ago that all this is preparation for nationalization of "communal" kolkhoz -- group property and for the transfer of this property into the category of "national" property which is administered by the central authorities, i.e. for its formal merger with State property. Before appropriating the accumulated fruits of labor of the kolkhoz men, i.e. before expropriating the kolkhozes, Stalin's government is striving to develop their production to a maximum degree and to enlarge their "communal" property while at the same time liquidating the individual plots of the kolkhoz men.
- 142. Stalin speaks plainly of the necessity "by gradual stages . . . to raise kolkhoz property to the level of national property, and, also by gradual stages, to replace the circulation of goods by a system of barter, so that the central authorities, or some other communal economic center, can seize the entire production of communal production " (Bol'shevik, No. 15, 1952, p. 35).
- 143. Stalin attempts to cover with a Tig leaf the planned absorption of the kolkhoz sector by the state sector, is the direct expropriation of the kolkhoz for that purpose, he tries to picture the "society", and not the state, as the future master of the expropriated property of the kolkhozes. He considers as adequate to the task "a united all-national organization", formed with representatives of State industry and the kolkhozes, the functions of which will be to keep records and to distribute the entire consumers' produce of the country.
- 144. Stalin also confirms that the liquidation of kolkhoz-group ownership temporarily preserved as a "s'-imulus to an increase in work productivity and to a quicker accumulation / of ? / in kolkhozes, monetary receipts from the kolkhoz market included -- is not a distant vista but a matter of the near future. Speaking of the group-kolkhoz ownership and the circulation of commodities, Stalin plainly states:

 "at the present time these phenomena are being utilized successfully by us for the development of socialist economy, and they are . . . extremely useful. Undoubtedly they will continue to be useful in the near future. This serves as an intimation that the implementation of Stalin's program with respect to the liquidation of these economic phenomena will begin "in the near future".

	25X1	
Secret		

	25X1	25X1	
SECRET			
	-23-		

- 145. This is understandable. Stalin clearly foresees a further exacerbation of the "conflict" between the interests of the kolkhoz peasantry and those of the State, which strives to concentrate in its hands and subordinate to its control all the "production forces of society". We have already examined the essence of the phenomenon defined by Stalin as "the growth of contradictions between productive forces and production relations". The latter, according to Stalin, "have already begun to hamper the mighty development of our productive forces, in as much as they create obstacles to a complete inclusion of the entire national economy in state planning...." That is why Stalin makes haste "to liquidate these contradictions by gradually transforming kolkhoz property into national property, and by gradually introducing barter instead of commodity circulation".
- 146. It is quite obvious that the transition to "the exchange of products" will only be an instrument of confiscation in the hands of the authorities. With its help the state will be able to swallow up the entire kolkhoz production, including the "surpluses" distributed to kolkhoz men according to work-days and those produced on their individual plots, as well as those left to the kolkhoz for sale on the kolkhoz market. The seizure of the entire produce of kolkhozes will thus become not a result but the very easence of expropriation. Stalin says plainly: "In order to raise kolkhoz property, to the level of national property, the surpluses of kolkhoz production must be excluded from the system of commodity circulation and included in the system of the exchange of products between state injustry and the kolkhozes. In this lies the essence. Such is the "method" by which Stalin planned "to include the basic property of the kolkhozes and the produce of kolkhoz production into the general system of national planning". That is exactly what he considers "a realistic and decisive means for raising kolkhoz property to the level of national property," a means which must be used more and more "under present conditions". This leaves no doubt whatever that the main purpose of the gradual "transformation" of kolkhoz property into national property is to enable the authorities to extend daily, "step by step" the compulsory delivery of kolkhoz produce to the state, until it is completely drawn into "the orbit of national planning."
- 147. It is not difficult to understand Stalin's method of "mastering" the entire produce of the kolkhoz village. Stalin promises to give to the kolkhozes, by way of "the exchange of products", more industrial goods, and at cheaper prices than under the system of the circulation of goods. This shows that with the gradual introduction of "the exchange of products", a monetary evaluation of the products will exist. It is obvious that there is no difference in principle between commodity-money circulation and the future "exchange of products". But the essential difference lies in the fact that, under the former system, the kolkhozes and kolkhoz men sell part of their produce in the kolkhoz market, while under the latter this produce will be used in a planned, is compulsory, manner as payments for state goods. It does not follow, however, that the "goods allotment" will correspond to the full value of the agricultural produce: The state will pay for part of it in money at a ratio fixed by this same state. In this manner, the transition to the compulsory "exchange of products" will be carried out irrespective of the level of production of industrial goods which the village needs. Gradually releasing commodity supplies on hand into the compulsory "exchange of products, is forcing the kolkhozes to pay for purchased goods not with money, but with products, the state will shackle kolkhoz production more and more, grawing it away from the kolkhoz market.

THE THREE STAGES OF THE AGRARIAN REFORM

- 148. One can now uncrringly outline the path along which all stages of the forthcoming agrarian reform will pass. This process, which leads to consecutive changes in the Agricultural Artel Statutes, can be divided into at least three basic stages -- the three links of the agrarian reform.
- 149. The consecutive development of these stages is determined by the immediate task of the Stalin program, namely, the confiscation of the envire production of kolkhozes under the guise of "the exchange of products". The Soviet procurement system, even under

	25X1
SECRET,	

25X1

SECRET		25X1
	-24 -	

the system of commodity circulation, amounts to the compulsory confiscation of products which are "kolkhoz property" with almost no compensation. However, while the kolkhoz market is still in existence, there is inevitably a certain "leakage" of agricultural products. The kolkhozes themselves sell part of their produce that remains after the state procurement quotas have been exceeded. A part of the produce received according to work-days and cultivated on their individual plots -- the latter more significant in overall quantity -- is sold by the kolkhoz men. These products are sold in the market by the producers themselves and are consumed by the city population, circumventing state regulations. Consequently, the task consists, after the "exchange of products" has replaced the goods circulation, in the gradual restriction of the channel through which the "leakage" of products occurs, and then in the closing of the kolkhoz market altogether.

- 150. This cannot take place, however, until the causes which forced the government to allow kolkhoz trade are eliminated. These causes were the following: a) the impossibility of satisfying the minimum food requirements of the urban population by means of routine state trade; b) the chronic unsound state of kolkhoz finances, caused by low procurement prices and seasonal monetary receipts inevitable in one-sided development of the economy. The cultivation by kolkhozes of certain products for sale on the market and their sale at prices set by a free exchange of goods turned out to be the main source of monetary income, which enabled the kolkhozes to satisfy the immediate requirements of production and to increase capital investments in the development of "communal" economy. The State was thus able to shift the burden of kolkhoz losses caused by low procurement prices on to the shoulders of the city consumer; c) the necessity of pacifying the peasants who, in view of the meager money payments per work-days, had no monetary income whatsoever.
- 151. As we see from the above, the liquidation of the kolkhoz trade cannot take place before the "tovarnost'" of kolkhozes has been greatly increased; before the "communal" production of kolkhozes has, on the basis of the grassfield system of agriculture, reached an all-round level of development and has produced a variety of "tovarnost'". This is the most important prerequisite for the improvement of the kolkhoz financial state, as well as for the increase of monetary payments per work-days.
- 152. In view of this, during the first stage, the goods and money circulation will be supplanted gradually by "the exchange of products", slowly limiting the kolkhoz sales in the kolkhoz market. The start of "the exchange of products", in the form of "otovarivantye" of agricultural products [industrial products used instead of money for payment for agricultural products], had long age partially taken over the production of the kolkhozes producing cotton, flax, beets, etc. The "otovarivantye", mentioned by Staliu, consists in the State giving goods in short supply to these kolkhozes in part payment for their produce. In view of the general shortage of goods, the authorities thus stimulate the production of strategically important raw materials. In procurement practice there is still another form of "otovarivantye" of production which the kolkhoznika deliver through the state "cooperative". In this case it serves as a device for additional pumping of provisions from the villages Because of an acute shortage of footwear and clothing the kolkhoznik is forced to deprive his family of part of his produce and weliver it to the "cooperative", in order to obtain the necessary goods.
- 153. Nevertheless, although the planned, i.e. compulsory, "exchange of products" can swallow up the production of kolke her comparatively easily during the first stage, the produce of the kolkhoz men will still clude its sphere of operations. Even if we imagine a fantastic picture of an abundance of industrial goods, even so it is impossible to expect the kolkhoz men to exchange without resistance their "surpluses" for an arbitrary assortment of goods supplied "in a planned manner" through the kolkhozes when it is possible to sell food supplies in the kolkhoz market and to have a free choice of goods in the State commercial network.
- 154. This is why during the subsequent, second stage of the reforming process of expropriation of the "surplus" provisions, which are at the disposal of the kolkhoz men, a more radical measure involving the first important change of the Agricu bu al Artel Statutes, will be introduced. More than two years ago we observed a tendency

	25X1
SECRET/	

SECRET,		25X1
'	-25-	

to replace completely payments in kind per work-days with payments in cash. On one hand, it increases the "goods" bulk of the kolkhoz production; on the other, it is in accord with aspirations to equate the conditions of payment for the work of the kolkhoz men with those of the workers in State farms. As early as two years ago timid attempts were made by the Soviet press to discuss the possibility of a "renunciation" of the system of evaluating work-days in kind in the kolkhozes. The introduction in kolkhozes of the evaluation of a work-day in rubles, with the products being issued on the account of the monetary payment due per work-days, is absolutely inevitable. The kolkhoz man must be transformed from a nominal owner of the produce he produced into a buyer of that produce within the limits, of course, prescribed by the State for personal comsumption.

- 155. The kolkhoz man will have no more production "surpluses" on hand which are distributed per work-days. The entire production will remain in kolkhoz warehouses. Having by-passed the individual kolkhoz men, the State will thus without difficulty draw their former "supluses". via the kolkhozes, into the planned "barter". This will also serve as a psychological preparation of the kolkhozniks for the acceptance of a formal exprepriation of the kolkhozes.
- 156. Simultaneously, or somewhat later -- depending on the process of maturing of the necessary economic conditions -- another measure will be introduced. This measure, connected with the second essential change in the Agricultural Artel Statutes, has been in preparation for a long time. It is: the liquidation of the individual plots of kolkhoz men. In this lay the main purpose of the resettlment of kolkhoz men, which was begun in connection with the consolidation of kolkhozes and then temporarily suspended. The unequivocal significance of this measure is fully revealed in an essential detail of the model plans of reconstruction of populated points, which at the beginning bore the resounding name of "agrogorods". Disguised by the kolkhoz men do their own farming are allotted, as a rule, outside of the limits of the populated point. This is done so that these allotments, the size of which is even now limited by the Agricultural Artel Statutes, in time could be excluded altogether from the personal use of kolkhoz men and included in the "communal" crop rotation system.
- 157. It would be fitting to point out in conrection with this that as early as 6 Nov 49 the Moscow newspaper. Izvestiya, published elequent arguments to the effect, that it does not make sense for kolkhoz men to waste their time on their individual plots, on their own cows. etc. Even then it was not difficult to foresee the development of further propaganda, concerning the "renunciation" by the kolkhoz men of their subsidiary farming. In confirmation of our prognosis of long standing, in December 1951 Bol'shevik developed still more definitely the idea of the gradual withering away of individual farming by kolkhoz men. In 1952, Bol'shevik (no 10), reiterated that "when the public economy of kolkhozes attains a high level of development there will be no necessity for individual farming and that "the only allembracing form of cwnership will be that of national ownership".
- While preparations for the liquidation of individual farming by kolkhoz men continued without interruption, the Soviet authorities were forced to give up their premature infatuation with the idea of compulsory resettlement of kolkhoz men. The resettlement was suspended. However, it was only temporarily relegated to second place. Malenkov confirmed that, too, when he stated at the 19th Congress that the problems of "the way of life" in the kolkhozes can be successfully solved only on the basis of a well developed "communal" production.
- 159. Of course, the "way of life" is a sheer figment of the imagination. Many cases are knownwhere, during heaty resettlement, kolkhoz men were moved from habitable quarters into mud lats. It is not difficult to understand the reasons behind the enforced temporary retreat which was necessary for a future "running jump", if we take the following into consideration: a) the desire of the authorities to ensure first of all fulfillment by kolkhozes of their production plans, on which depend speedier accumulation of supplies or raw materials and provisions in the event of war; resettlement inevitably would distract kolkhoz resources from this problem, which,

	25X1	
SEDRET/S		

	25X1	
SECRET/		25X1
	-26-	

under the prevalent conditions of kolkhozes, could lower appreciably the level of their "tovarnost"; (b) the government's intention of carrying out the resettlement, without government assistance, at the expense of the kolkhoz men themselves (the latter will pay in the future for any expenses involved) which can be achieved only with adequate economic development of the kolkhozes; c) the impossibility of balancing the food situation in the country if individual farming to kolkhozes were limited in the near future; d) a sharp reaction of resistance among the kolkhoz men provoked by the compulsory resettlement in 1950-1951.

- 160. As soon as the conditions necessary for the liquidation of the kolkhozniks' individual farming are thought to have been achieved, the Soviet politicians will not delay in resuming the forceful resettlement of the population. Provision for this is also made in technical planning, according to which the land of the consolidated kolkhozes is organized.
- 161. The liquidation of individual plots is thus a predetermined matter. As the moment for carrying out this measure, the authorities will choose the time when the resistance of the kolkhoz men will have been weakened, when the kolkhoz men will be compelled to give up his individual plot 'voluntarily". The compulsory measures will bind the peasants more and more to "communal" farming, which, in proportion with its general development, will demand more and more work from the kolkhoz men. The time will come when the kolkhoz men will not be able to spare any time at all immensely by that time. The production of 'communal' farming will increase will be exactly the right moment for a final liquidation of the personal property
- 162. So the final goal will be reached. The remaining productive base -- individual plots outside of the sphere of state planning -- will be transferred to the kolkhozes.

 After that, only the kolkhoz-group, "communal" property will be preserved for a certain time in agriculture.
- 163. Both measures -- the transition to monetary compensation for work-days and the liquidation of individual farming -- will completely deprive the peasants of any produce "surpluses". From that time on, the entire production of a kolkhoz village without exception will pass through the kolkhoz storehouses which are accessible to the state. The kolkhoz men will receive provisions, as well as industrial goods, on the account of money payments due them, within the limits of a living wage arbitrarily fixed by the government, and at prices fixed by the government. The kolkhoz market, as well as other channels, through which a "leakage" of a certain part of the "commodity" production was possible, will be closed tightly and forever. With the liquidation of the kolkhoz market, the second stage of the reform will be concluded.
- 164. It is easy to imagine how much greater the exploitation of the kolkhozniks' labor by the state will be after the liquidation of the kolkhoz market. The exploitation will become more extensive in proportion to the increase of the bulk of agricultural production, which is taken away from the kolkhozes in the form of "barter" at low procurement prices. Stalin attempts "scientifically" to draw a veil over this obvious truth with an empty fiction of "the law or value", which serves him and Soviet propagands solely as a method of covering up financial and exploitative machinations, concealed under the guise of monetary calculations of value. The procurement prices fixed by the authorities do not reflect the socially necessary expenditure of labor for the production of one unit of agricultural production (as required, according to Stalin himself, by "the law of value".) It is too obvious that the policy of procurement prices serves the Communist regime as an instrument for the maximum appropriation of the free labor of the kolkhoz men.
- 165. An irrefutable proof of this is found in kolkhoz practice. If procurement prices, which have an immediate effect on the level of the payments for work in kolkhozes, were really established in accordance with "the law of value", i a taking into account the socially necessary expenditure of labor for the production of a unit of production, then payments for the work of kolkhoz men would depend exclusively

_	25X1
SECRET	

	25X1		
SECRET/		_	25X1
	-27-		-

on the productivity of labor in various kolkhozes. Naturally, wage payments can vary in different kelkhozes and they depend on the production results achieved in a given "communal" economy by the collective body of the peasants -- its nominal owners. This fully corresponds to the socialist principle: "to each according to his labor".

- 166. However, in reality, the difference in wage payments, for instance, in cotton and grain growing kolkhozes resulting from the disproportion of procurement prices is so enormous that it goes fat beyond the limits of the fluctuation of labor productivity in these kolkhozes. Cases are knownwhere the monetary value of a work-day in individual holkhozes amounted to 30-35 rubles. All these cases occurred in "progressive" kolkhozes, which produce cotton, tea leaves, and other highly critical raw materials. These are "kolkhoz cases" /literally "kolkhoz islets". Their level of wage payments is vastly different from that prevailing in the whole mass of kolkhozes. Their wage payments are eight or 10 times greater than the monetary value of the work-day which the most "progressive" grain kolkhozes have been able to achieve. In comparison with average kolkhozes, they are 25 or 30 times greater.
- 167. The niggardly wage payments in the majority of kolkhozes are caused entirely by the fact that the government gets the kolkhoz produce elmost for nothing. The government pays less for one poid [equals 36.113 lb] of grain it takes away from the kolkhozes than it receives for one kilogram of baked bread.
- 168. It should be also born in mind, that beginning with 1949 the standard /primernyye norms of production and piecework evaluation in work-days, "recommended" by the segovernment, have teen in force. These norms and evaluations were made uniform as far as possible. This equalized also the computation of work-days for identical work in different holknozes. It means that the amount of labor invested in one day in "holknoz cases" and in everap, holknozes is completely, or almost, identical. Hence it is clear, that a unit of labor equal in quantity and quality in all kolkhozes is paid for differently in different kolkhozes. This is by no means in accordance with the socialist formula: "to each according to his labor". This was dictated exclusively by the interests of the authorities, and is a result of the government policy on procurement paices.
- 169. Of course, the purpose of the "kolkhozes cases" is to strengthen by their existence the effectiveness of propaganda promoting the all-round development of the "communal economy" and the separation of the kolkhoz men from their individual farming. But the main purpose of the Soviet policy of prices, which also brought forth the "kolkhoze-cases", is to conquer the resistance of the kolkhoz men in order to insure the development of such branches of the economy as cotton growing, which is necessary for war purposes. Cotton growing, which requires a great expenditure of labor with low prices for the produce, not only did not bring any profit to kolkhozes but lowered the value of a work-day. Exactly because of the resistance of the kolkhoz men the government was obliged to raise the prices for cotton. While in kolkhozes producing grain, the government can freely exploit the labor of the kolkhoz men without raising prices because the peasant will never refuse to sow grain the principal food product.
- 170. The Kremlin thus uses its own discretion in regulating wage payments. By forcing the peasants to deliver their production at low procurement prices the government exploits their labor. By arbitrarily changing the procurement prices the Kremlin can exert an influence on the development of the branches of economy it needs. Obviously, under such conditions wage payments cannot be made according to the formula "to each according to his labor". Wage payments depend entirely on the needs and the appetite of the State, on the arbitrariness of the rulers, and not on the real expenditure of labor for production. The labor of a kolkhoz man just like that of a blave, is of no value. It is not "the law of value", but the law of crust exploitation which determines procurement prices for kolkhoz production and wage payments in kolkhozes. Different wage payments for the same kind of labor is the best proof.
- 171. This fully reveals the character of the economic status of the "kolkhozes-cases" conditioned by the prevalent political situation. Their existence is possible only until the peak of the development of "the productive forces" of the kolkhoz village

	25X1
SECRET/	

	25X1	
SECRET/		25X1
	-2'(-	

on the productivity of labor in various kolkhozes. Naturally, wage reyments can vary in different kolkhozes and they depend on the production results achieved in a given "communal" economy by the collective body of the peasants -- its nominal owners. This fully corresponds to the socialist principle: "to each according to his labor".

- 166. However, in reality, the difference in wage payments, for instance, in cotton and grain growing kolkhozes resulting from the disproportion of procurement prices is so enormous that it goes fat beyond the limits of the fluctuation of labor productivity in these kolkhozes. Cases are knownwhere the monetary value of a work-day in individual kolkhozes amounted to 30-35 rubles. All these cases occurred in "progressive" kolkhozes, which produce cotton, tea leaves, and other highly critical raw materials. These are "kolkhoz cases" [literally "kolkhoz islets"]. Their level of wage payments is vastly different from that prevailing in the whole mass of kolkhozes. Their wage payments are eight or 10 times greater than the monetary value of the work-day which the most "progressive" grain kolkhozes have been able to achieve. In comparison with average kolkhozes, they are 25 or 30 times greater.
- 167. The niggardly wage payments in the majority of kolkhozes are caused entirely by the fact that the government gets the kolkhoz produce almost for nothing. The government pays less for one pood [equals 36.113 lb] of grain it takes away from the kolkhozes than it receives for one kilogram of baked bread.
- 168. It should be also born in mind, that beginning with 1948 the standard primernyye norms of production and piecework evaluation in work-days, "recommended" by the government, have been in force. These norms and evaluations were made uniform as far as possible. This equalized also the computation of work-days for identical work in different kolkhozes. It means that the amount of labor invested in one dim "kolkhoz cases" and in average kolkhozes is completely, or almost, identical. Hence it is clear, that a unit of labor equal in quantity and quality in all kolkhozes is paid for differently in different kolkhozes. This is by no means in accordance with the socialist formula: "to each according to his labor". This was dictated exclusively by the interests of the authorities, and is a result of the government policy on procurement prices.
- of course, the purpose of the "kolkhozes cases" is to strengthen by their existence the effectiveness of propaganda promoting the all-round development of the "communal economy" and the separation of the kolkhoz men from their individual farming. But the main purpose of the Soviet policy of prices, which also brought forth the "kolkhozes-cases", is to conquer the resistance of the kolkhoz men in order to insure the development of such branches of the economy as cotton growing, which is necessary for war purposes. Cotton growing, which requires a great expenditure of labor with low prices for the produce, not only did not bring any profit to kolkhozes but lowered the value of a work-day. Exactly because of the resistance of the kolkhoz men the government was obliged to raise the prices for cotton. While in kolkhozes producing groin, the government can freely exploit the labor of the kolkhoz men without raising prices because the peasant will never refuse to sow grain the principal food product.
- The Kremlin thus uses its own discretion in regulating wige payments. By forcing the peasants to deliver their production at low procurement prices the government exploits their labor. By arbitrarily changing the procurement prices the Kremlin can exert an influence on the development of the branches of economy it needs. Obviously, under such conditions wage payments cannot be made according to the formula "to each according to his labor". Wage payments depend entirely on the needs and the appetite of the State, on the arbitrariness of the rulers, and not on the real expenditure of labor for production. The labor of a kolkhoz man just like that of a slave, is of no value. It is not "the lew of value", but the law of cruel exploitation which determines procurement prices for kolkhoz production and wage payments in kolkhozes. Different wage payments for the same kind of labor is the best proof.
- 171. This fully reveals the character of the economic status of the "kolkhozes-cases" conditioned by the prevalent political situation. Their existence is possible only until the peak of the development of "the productive forces" of the kolkhoz village

	25X1
secret/	

25X1

SECRET		25X1
	-2b- ₋	

has been reached and these forces have been drawn more the sphere of government planning (especially because uniform wage payments are natural in a planned economy). It may be said with certainty that unification of wage payments in kolkhozes will begin as soon as the individual kolkhoz plots have been abolished, as soon as the remnants of the kolkhozniks' financial independence have been destroyed, and as soon as their labor has been completely absorbed by the "communal" economy of the kolkhozes. As soon as this goal is reached many of the propaganda devices now in use will disappear, there being no further need for them. At the same time wage payments will be made uniform not by raising them to the level of the "kolkhozes-cases", but, on the contrary, by lowering them to the average level of the wages of state

- 172. The moment of the liquidation of the private property of kolkhoz men must be considered the turning point in the reform. When all manpower is absorbed by the "communal" economy of the kolkhozes, it will be embraced in its entirety by state planning and will be applied to a more vigorous development of "the material base of Communism" -- the intensification of the production of raw materials and provisions for war needs. At the same time, the increase of manpower taken over by the State will increase the numbers later transferred to heavy industry. The conditions of war mobilization will be also easier, because the general balance of manpower will improve as a result of the transfer of individual production (individual plots) to "communal" production where mechanization is applied. In this way the all-round strengthening of the military and economic potential of the State -- the payment for world Communism -- will be achieved.
- There remains one last step to be made on the road to the completion of the agrarian reform and that is the liquidation of the kolkhoz -- group ownership. For how long this social and economic category will be maintained is of secondary importance. Its mainterance will keep the peasantry on the verge of complete proletarianization in name only. In fact, the remnants of the financial and labor independence of the kolkhoz men have been destroyed by changes in the Agricultural Artel statutes in the second stage of the reform. With the transition from the system of distributing the income in kind according to work-days into that of monetary wage payments and with the liquidation of private property, the kolkhoz man ceased to produce "for himself". The government takes possession of all agricultural production. Work in a kolkhoz becomes the only means of existence for the kolkhoz man. By regulating the procurement prices, the government establishes the level of monetary wage payments in kolkhozes as it sees fit. In essence, even under the conditions in which kolkhoz-group ownership and the outward forms of distribution of the income per work-days are preserved, wage payments are introduced. The situation of the kolkhoz man approaches closely that of the state farm worker, while the kolkhoz man, in addition, receives provisions and goods charged against his monetary income in the amount and at the price fixed by the government.
- 174. At this stage the maintained fiction of the kolkhoz-group (communal) ownership clearly begins to hamper further development of the "productive forces". After the liquidation of the kolkhoz market this fiction, which was used for pumping over through the market the funds of the city population for the development of the "communal" economy, becomes unnecessary. At the same time, as a stimulus for the increase of work productivity, it does not only definitely lose its significance but turns into its opposite, because further preservation of the "communal" (cooperative) form of economy formally hampers the authorities in maintaining the intensity of labor in kolknozes by State measures of compulsion.
- 175. This is why, having taken possession of all the products of kolkhoz production and being the actual manager of the accumulated results of their "communal" labor -- in the form of livestock, buildings, kolkhoz electric power stations, and other property -- the government will be compelled to bring the reform to a rapid and logical conclusion. The government will be compelled to speed up the completion of the agrarian reform, as well as the formal liquidation of kolkhoz-group ownership, which will take place in the third stage of the process of reform.
- 176. Steady preparations for this also begin with the consolidation of kolkhozes. The

	25X1
SECRET/	

SECRET		\Box	25X1
9	-29-		

expropriation of the "communal" property of the kolkhozes and its gradual merger with the State property, is expressed through an ever tightening "control" exercised by the government. In practice, this is beginning to be achieved by the establishment of unity of planning along the line of the utilization of State means of production and along the line of kolkhoz production planning. Beginning with 1950, planning for MTB and kolkhozes, which had been hitherto separate, was combined into one process. The plan for MTS tractor work and the plan of the development of the kolkhoz economy now represent two indissolubly bound parts of one government program. On the one hand, this guarantees the greater development of all branches of the economy in the interests of and fully dependent upon the state. On the other hand, it reduces to property.

- 177. The latter is achieved during the process of further mechanization and electrification of agriculture as well as by the establishment of such a correlation between State and kolkhoz means of production which strengthens the predominant role of the MTB.

 An illustration of this is the fact that the government does not permit kolkhozes to own, for instance, electric motors of over a certain power. This is dictated notalone by the desire to receive more pay in kind for the use of the machines owned by the State for, on the one hand, the increase of the dominant specific gravity of State means of production, which has a decisive effect on the results of the communal under which the dependence of the kolkhoz men on the State is growing. On the other hand, it serves as a psychological preparation of the kolkhoz peasantry for the time when the "communal" property of the kolkhozes will be absorbed by the State, formally, as well as in fact.
- 178. Along with the gradual organic merging of state and communal "property", the conditions of organization and the wage payments in the kolkhozes are gradually approaching the conditions that exist in state enterprises. Among the measures forcing people to work this goes on simultaneously with the deepening of the process of the proletarianization of the kolkhozniks and is, at the same time, subordinate to a more rapid accumulation of raw-material and manufactured reserves of a military nature.
- 179. Such are the premises -- emisting and developing -- for the formal liquidation of kolkhoz-group property. Developing during all previous stages of the process of transformation, they are gradually preparing for the liquidation of agricultural artels as a "socialist" form of economy and for their transformation into government enterprises of a "higher social" type, e. state farms. Whether agricultural enterprises of this new type are termed "communes" or not, in the main their character will not change. This will be the culmination of the agrarian reform and will transform the kolkhozes into a new social entity. The repeal of the Agricultural Artel Statutes and the corresponding amendment to the Constitution of the USSR will legally confirm the expropriation of the kolkhozes. This act will signal the complete proletarianization of the kolkhozniks -- the transition from a form of distribution of money income for products to a unified system of wages.
- 180. The elimination of the "difference between the city and the countryside", i.e, the rise of the "all-embracing state production sector with the right to regulate the entire consumer-goods production of the country", will also create those new "production relationships' that will no longer inhibit the development of productive powers. The state will, even formally, be the sole owner of all means of production and all products of production, including the agricultural. The state will be the sole proprietor of all labor resources. This will strengthen the slave system and crown the edifice of Soviet "socialism".
- 181. This is really the principal goal of Soviet agrarian policy, as seen in the light of Stalin's "Economic Problems of Socialism in the USSR" and the decisions of the 19th Party Congress. The Utopian goals of the beautiful "future", painted by

	25X1		
SECRET/		h A	

25X1

SECRET		25X1
	-30-	

propaganda, are too obviously connected with plans for a new war and practical preparation therefore. The expropriation of the kolkhozes by means of "barter" is merely one of the necessary preliminary conditions for the "transition from socialism to communism". Another necessary premise, according to Stalin, is the growth of heavy industry, which has priority.

- 182. Is it necessary to discuss what kind of "prosperity" awaits the peoples of the Soviet Union and the whole world after the setting up of these premises? Their realization would turn the Soviet state into a mighty apparatus for world Communist aggression.
- 183. This is far from meaning that, as long as this result has not been gained, the "collegial dictatorship" will refrain from further gradual expansion of the Kremlin's empire. In the future all measures -- not excluding military ones -- will be applied to this end. As soon as the preparation for an all-out war has been completed, total aggression against "capitalist encirclement" will ensue.

-end-

	25X1	
SECRET/		